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## **Executive Summary**

There is no question that North Carolina is one of the most prosperous and rapidly growing states in the country. Drawn to the state's urban centers because of their economic promise, people from all over the country are flocking to the state. Yet, there are people in this state that are not benefiting from the economic boom. Housing for the poor is inadequate or not available. There is a 10 billion dollar shortfall for water/sewer improvements. Unemployment rates still hover above 10% in some regions of the state. Beyond stating the "lack of" goods and services for low to moderate income people, the state must determine why these needs are not being met and what the state must do to overcome these obstacles to provide adequate and affordable housing, better neighborhoods, and employment opportunities to people who need them the most. In order to determine those needs, the state agencies that receive federal dollars from HUD for housing and community development purposes have developed a Five Year Consolidated Plan in which the state's housing and community development needs are described and strategies are presented to help address those needs over the next five years. The following is an executive summary of those findings and plans.

### **Demographics**

- The population of the state was estimated to be 7.6 million as of 1999.
- Of the state's 2.5 million households, just over one half live in the Piedmont, a third in the East, and the remaining 15% in the West.
- In 1990 the census reported that about 75% of the state's population was white, and 22% of it was black, with the remaining 3% composed of Hispanic, Native American, Asians and other races. It is believed that the percentage of Hispanics and Asians has increased significantly since that time, but accurate numbers from the 2000 Census will not be available for another year and a half.
- Over half of the households (57%) are small, consisting of one or two persons, and only a small proportion (3%) have 6 or more members.
- Births by teenage mothers in North Carolina accounted for 14.3% of the total births in 1997, ranking that the 14<sup>th</sup> highest in the nation.
- Over 554,269 domestic immigrants moved into the state between 1990 and 1999, which ranked 5<sup>th</sup> highest in the country
- In 1990 a little less than half of the state's population, 3,293,067 people, lived in what is considered the rural region of the state, ranking North Carolina 6<sup>th</sup> in the nation
- The median age for North Carolinians in 1999 was 35.5 compared to 33.0 in 1990.
- 70% of people in North Carolina above the age of 25 had attained a high school degree in 1990, compared to only 55% who had attained a high school degree in 1980.
- In 1990, single parents headed approximately 15 percent of all households; in 1980, that number was just above 9 percent.
- By 2005 the state's total population is projected to be 8.2 million and over 9.3 million by 2025.

## **Housing**

### *Statistics*

- There were 2,931,474 year-round housing units in North Carolina as of 1990. Of these, 888,558 (30%) were rental units and 1,741,749 (59%) were owner occupied units.
- According to building permit data statewide, a total of 761,450 housing units or 26 percent were built since 1990. Mobile homes represented 28% of the total number of new housing units added between 1991 and 1998.
- Among the fifty states, North Carolina had the 6<sup>th</sup> highest percent increase in total housing units for the same time period.
- North Carolina had the 13<sup>th</sup> highest percent increase in total households among the fifty states from 1990 to 1998. Such a disparity between the ratio of new households to new housing units can be accounted for by overbuilding and the increase in second home purchases.
- Approximately 78% of the state's new privately owned housing units were constructed in MSAs in 1999.
- In 1999, North Carolina had a homeownership vacancy rate of 1.9% and a rental vacancy rate of 10.8%
- In 1999, the homeownership rate in North Carolina was 71.1%, while the national rate was 66.8 percent.
- In 1990, the statewide home ownership rate for white households was 72.9 percent, 66.3 percent for Native Americans, 49.6 percent among African American households, 48.1 percent for Asians and 41.7 percent for Hispanic households.
- In 2000 the fair market rent for a two-bedroom unit in North Carolina was \$528 per month.
- In 1999 40% of renters in the state could not afford the Fair Market Rent (FMR) for a two-bedroom unit. A worker earning the minimum wage (\$5.15 per hour) has to work 79 hours per week to afford a two-bedroom unit at the FMR.
- The average cost of a home in selected housing markets in the state in 1999 was \$141,014.
- The average cost of a home for all market areas was 3.03 times the estimated median family income for North Carolina in 1999.
- Lead poisoning is one of the primary environmental health hazards facing children. An estimated 245,200 renter households, and 539,300 owner households live in housing with lead-based paint present.

### *Needs*

There are three dimensions to housing need measured by the Census: physical quality, overcrowding, and affordability. Under the measures quantified by the 1990 Census, 38% of all renters, and 20% of all owners in North Carolina suffer some degree of housing need, whether it be the high costs of housing, overcrowding in units, structural problems, or lead based paint problems. The percentage of households with housing problems also varies by race. The percentage of minorities who had housing problems was considerably higher than their white

counterparts in every tenure type and income group. As for household type, large family households had the highest percentage of housing problems compared to the elderly and small family households.

In 1990, a relatively large 67 percent of renters in the 0-30 percent income category paid more than 30% of income for rent, while 63 percent of those in the 31-50 percent income category paid more than 30% of their income for rent. Among owners, 64 percent in the 0-30 percent income category paid 30 percent or more for owner costs. Any household paying more than 30 percent of its income for housing costs is considered having a cost burden.

In 1990, only about 6 percent of all renter households in the 0-30 and 31-50 income categories, were overcrowded. The percentage of overcrowded owner households actually increased from 1.8 percent for the 0-30 percent income category to 2.9 percent for the 51-80 percent income category, so overcrowding is not necessarily a result of lower incomes. Among the regions, the Coastal region had the highest percentage of both renter and owner households that were overcrowded.

Unfortunately, the measures of the physical quality of housing units available in the Census include only whether units lack complete kitchen facilities and/or complete plumbing facilities; therefore, the Census is unable to provide an accurate account of the physical state of housing units in North Carolina. A better indicator of the physical quality of housing is the age of a housing unit; older houses tend to be more susceptible to faulty wiring, leaking roofs, and holes in the walls. In the year 2000, 21% of the housing stock (or 529,904 units) is estimated to be between 40 and 60 years old. These units are likely to represent the majority of the housing in the state that will require some rehabilitation.

Lead poisoning due to lead based products in older buildings is the leading environmentally caused pediatric health problem today, especially among young children. 4.4% of U.S. children are estimated to have potentially toxic levels of lead exposure (CDC, 1997). The good news is that lead poisoning is entirely preventable if the necessary steps are taken. One preventable measure that relates to housing is the identification and removal of lead based products in buildings that children could have prolonged exposure or higher exposure levels to lead, which include the homes in which they reside or facilities that are used by them during the day (i.e. day care or recreation centers). Lead-safe housing is the primary means of preventing lead poisoning among young children. The primary treatment for lead poisoning is removal from exposure to lead which usually requires relocation of an entire family to temporary housing while abatement is completed or to a permanent, lead-free residence when abatement is not feasible. Public awareness and education campaigns are also needed to inform the general public about the dangers of lead and to encourage them to contact the proper authorities if they believe a building is contaminated so that the problem can be remedied.

## State Housing Priorities and Strategies to Meet those Needs

### High Priority Need

- Assist Existing Home Owners 0-30% of MFI
- Assist Families and Individuals Displaced by Disaster 0-30% and 31-50% of MFI
- Assist Homeless Families and Individuals
- Assist Non-Homeless Persons with Special Needs 0-30% and 31-50% of MFI
- Assist Renters 0-30% and 31-50% of MFI

### Medium Priority Need

- Assist Existing Home Owners 31-50% of MFI
- Assist Families and Individuals Displaced by Disaster 51-80%
- Assist Non-Homeless Persons with Special Needs 51-80% of MFI
- Assist Renters 51-80% of MFI

### Low Priority Need

- Assist Existing Home Owners 51-80% of MFI

The primary activity that will be used to assist renters with incomes up to 50% of median family income is new construction. New construction is the primary activity to meet the needs of renters 0-50% of Median Family Income because it adds units to the inventory on a long-term basis, unlike rental assistance. In addition, rental assistance, acquisition and rehabilitation, and providing support facilities and services are other activities that will be utilized. Rental assistance and other operating subsidies are the best approaches to serve households of 0-30% of Median Family Income. Rehabilitation of rental housing (without acquisition) is a secondary activity; while it can be a cost-effective approach, it lacks the range of financing tools (e.g., tax credits) available to rental production and it presents more monitoring and compliance problems. Renters that are 61-80% of Median Family Income are generally assisted through market rate rental housing and first time homebuyer programs. Helping renters become first-time homebuyers accomplishes several public purposes. First, it directly helps the households assisted, giving them more control over their living environment and their lives and helping them develop equity (wealth). Home ownership can also help people become more involved with their community, helping to build stronger neighborhoods and communities. Finally, home ownership indirectly benefits other low-income renters by freeing up rental units, which is particularly helpful in high-cost rental markets and those with low vacancy rates. Also, support services, such as homebuyer education and pre-purchase counseling, are important for first time home buyers because it gives them the necessary skills to keep and maintain their homes.

Increasing incomes or lowering debt service and operating costs (utilities, taxes, insurance, and maintenance) are the potential ways to help very low-income homeowners with high cost burdens. Currently, the main tools to address very low-income homeowners are loans and grants for housing rehabilitation. Home improvements, particularly energy improvements, can also

lower operating costs for homeowners. Therefore, rehabilitation of appropriate homes can be a cost-effective way to help the homeowner while maintaining the State's supply of affordable housing. Secondary activities include property tax relief and homeowner counseling programs, which should address predatory lending. For the elderly, reverse mortgages can be a particularly useful tool. Reverse mortgages can provide elderly with additional income for both regular expenses and unexpected costs (e.g., medical expenses).

## **Homeless**

### ***Statistics***

- From July 1, 1998 – June 30, 1999, 121 ESG-funded facilities for the homeless in 54 counties served over 43,000 persons.
- Of the over 43,000 homeless persons served, approximately 37% were adult single males age 18 and over, 17% were adult single females age 18 and over and 29% were children below 18 years of age.
- African-Americans comprised 57% (24,611) of those served and Whites comprised 35% (15,089) of total persons served. Almost five percent of persons served (1,943) were Hispanic. Native Americans served totaled 664 (1.5%) and Asians served totaled 282 or less than one percent. Other races comprised approximately 1% of those persons served.
- The 121 ESG-funded facilities reported serving 6,289 families.
- Of the 7,158 adults in these families, 88% (6,607) were females between the ages of 18 and 55.
- A total of 11,008 children in families were served by the 121 ESG-funded facilities. Seventy-four percent of these children were between the ages of 1 and 12 years. Over half of the children in ESGP-funded shelters are under the age of five.
- Homelessness is not just an urban problem, many people in North Carolina experience homelessness and housing distress in small towns and rural areas.
- National studies comparing urban and rural homeless populations have shown that homeless people in rural areas are more likely to be white, female, single mothers, currently working, but homeless for the first time
- Emergency Shelter Grantees in North Carolina stated that 2,302 individuals self-reported mental illness as the primary cause of their homelessness in 1999.
- Emergency Shelter Grantees in North Carolina stated that 8,256 individuals self-reported either alcohol or drug abuse as the primary cause of their homelessness in 1999.
- The AIDS Care Branch of the N.C. Department of Health and Human Services has estimated that at least 6,600 of the estimated 20,000 persons living with HIV in the State are homeless or at risk of homelessness.
- Twenty-seven percent or over 11,000 of the persons served by 121 ESG grantees in the state from July 1, 1998 – June 30, 1999 reported domestic violence and/or sexual assault as the primary cause of their homelessness.

## *Needs*

Homelessness must be acknowledged if it is to be effectively addressed and eliminated. Historically, the State of North Carolina has placed a low priority on addressing the needs of today's homeless population and preventing other families and individuals from becoming homeless. Currently, there are only two programs administered by the State specific to homeless people – the HUD-funded Emergency Shelter Grant (ESG) Program and the Emergency Shelter Rehabilitation (ESR) Program funded through the NC Housing Trust Fund.

From July 1, 1998 – June 30, 1999, over 43,000 homeless persons in the State were provided shelter and services by 121 ESG funded organizations in 54 counties. Of these persons, 54% were single individuals and 46% were in families. Of the over 6,000 families served during this period, the overwhelming majority were headed by females. Of the 11,000 children served, 74% were below the age of 12.

There are many causes of homelessness in North Carolina including poverty, alcohol and/or substance abuse, mental illness and lack of appropriate support systems, but the sole common characteristic of homeless people is that they do not have housing. If homelessness is to end in our state, more affordable permanent and rental housing with accompanying rental assistance must be made available to poor and extremely low-income people. Moreover, funding for additional emergency and transitional housing with essential supportive services is also needed in order to move people off the streets. Finally, we must dedicate additional resources to preventing homelessness, since it is far more cost effective to prevent homelessness rather than helping people recover from it.

## *State Strategies to Meet those Needs*

Development of affordable housing units, in tandem with the provision of rental assistance to homeless individuals and families, are the primary activities that must be used to assist the homeless. Rental assistance is emphasized because it is the quickest and most cost-effective approach to moving people off of the streets and out of shelters into transitional or permanent housing with supportive services. Additionally, additional resources are needed to prevent homelessness, since it is far more cost effective to prevent homelessness rather than helping people recover from homelessness.

## **Special Needs**

### *Statistics*

- The HIV/STD and Prevention and Care Branch received a total of 19,056 NC HIV disease reports from the early 1980's through December 31, 1999.
- Since the early eighties, it also has been reported that 6,276 persons have died as a result of HIV/AIDS, which leads most experts to believe that at least 12,780 persons are currently living with HIV. Some experts agree that the number is grossly underestimated and that 17,000 people are living with HIV/AIDS in North Carolina
- The number of new HIV disease reports per year has been relatively stable since 1994.



- Nationally, HIV disproportionately affects minority groups, especially African Americans, whose the rate of the disease (65.1/100,000) is almost 10 times that of whites (6.8/100,000). The case rate for Hispanics and American Indians is almost 3 times that of whites.
- There are approximately 57,000 adult recipients of federal Supplemental Social Security Income who have a mental illness or mental retardation diagnosis.
- There are approximately 9,237 persons with disabilities drawing North Carolina State-County Special Assistance, only available to adult care home residents.
- Approximately 1.76% of the population has severe and persistent mental illness. When applied to 1998 population estimates from the Office of State Planning, 132,862 North Carolinians are believed to have severe and persistent mental illness.
- Based on a National Institute of Health Statistics survey of people, 80,000 North Carolinians have physical disabilities.
- The North Carolina Division of Mental Health, Developmental Disabilities, and Substance Abuse Services reports that just fewer than 4,000 developmentally disabled persons (3,000 adults and 1,000 children) are in need of residential services.
- The elderly is the fastest growing age cohort in North Carolina. Today the elderly account for 12.5% of the population in North Carolina, by 2025 they will account for 21.4%.
- There are 673 subsidized housing projects exclusively for the elderly in North Carolina.
- There are currently 373 nursing homes in North Carolina, with a total of 39,674 beds.
- There are 116 certified Adult Day Care and Adult Day Health Programs in North Carolina, containing 3294 certified slots; and 47 Continuing Care Retirement Communities across North Carolina.
- With 19.5 percent of North Carolina's older adults living at or below the poverty level in 1999, maintaining housing is difficult for frail older adults.
- Elderly owners and renters indicate that 11,913 homes lack complete plumbing facilities.

## *Needs*

Housing needs for persons afflicted with AIDS/HIV may vary by what stage of the disease a person is in. A person who is the early stages of the disease may just need an affordable single family residence or an apartment; whereas, persons in the last stage of the disease may have more expansive housing needs that include home health care, personal care, placement in a family care home, and a variety of other supportive services. Such services include health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, housing information and other activities.

The North Carolina Division of Mental health, Development Disabilities, and Substance Abuse Services (MH/DD/SAS) estimates that 8,400 people with mental illness are in need of housing. The housing needs of persons with severe mental illness range on the continuum of housing types. Transitional housing is needed to provide individuals the opportunity to develop the skills to move from both institutional living and homelessness. Because a majority of the mentally ill are disabled and live on modest Social Security disability incomes, a far greater number need rental assistance subsidies. Some persons with severe and persistent mental illness may need

housing with on-site staff assistance available 24 hours per day. The services needed by persons with mental illness include comprehensive health care, peer and family support, educational and work opportunities, social and recreational opportunities, skill training, ongoing assistance in daily living activities, crisis intervention, and stabilization services.

There is an increasing recognition of the need for people with developmental disabilities to become more independent and self-sufficient; affordable independent housing is one of the critical ways in allowing them to do that. The housing needs of people with developmental disabilities include more Section 8 vouchers and other forms of rental assistance, opportunities for homeownership through low interest Federal loans, down payment subsidies, etc. Funding is also needed to rehabilitate existing buildings into safe and accessible units for persons with developmental disabilities.

Physically disabled persons need supportive housing, particularly modifications such as ramp construction, bathroom modifications, door widening, and other interior adaptations, which would allow them more independence. Transitional housing closely aligned to rehabilitation centers is also needed to assist during the period following immediate discharge from rehabilitation centers. In addition, physically disabled persons need such basic services as adaptive equipment, wheelchairs, and transportation modifications.

Many individuals with substance abuse problems would benefit from increased access to affordable housing, particularly transitional housing, which would allow a person enough time to recover from the disease, while providing them with a stable environment that is free from drugs and alcohol. Once an individual is drug free and abstinent from substance use, long-term needs may include employment and affordable stable housing.

An increasing number of early hospital discharges have increased the number of elderly, functionally impaired population in communities. Therefore, the need for long term care housing, such as nursing homes, adult care homes, and senior living apartments has increased as well. With 19.5 percent of North Carolina's older adults living at or below the poverty level in 1999, maintaining housing is difficult for frail older adults, so rehabilitation is a major issue for the elderly. Supportive services also are currently insufficient to adequately provide care to the elderly in their home. In 1990, approximately 23 percent of the 187,784 persons aged 65-plus living in the community needed assistance with at least one daily living task such as meal preparation, shopping, paying bills, dressing, bathing, etc.

### ***State Strategies to Meet those Needs***

Rental assistance and the development of supportive housing through new construction and property acquisition or acquisition and rehabilitation of will be the primary activities used to assist households with special needs.

Tax changes, such as an increase in the State's Homestead Exemption for elderly and disabled homeowners would help lower operating expenses for cost-burdened homeowners 0-30% of Median Family Income. Bills were introduced in the 2000 session of the North Carolina General

Assembly to raise the exemption from \$20,000 to \$25,000 or \$30,000 but no final action was taken on the bills.

## **Community Development**

### *Statistics*

- In 1990 North Carolina was the most manufacturing intensive state in the nation, but by 1999 the state ranked fifth.
- Total employment among all industries rose by almost 488,000 jobs during the 1990s, due primarily to the diversification of the state's economic base in other employment sectors such as service, trade, financial, and construction.
- While diversification has benefited most people in the urban areas of the state, people in rural regions have suffered, because the manufacturing jobs they were so dependent upon have left and have not been replaced by these new industries.
- In 1998 the Median Household Income in North Carolina was estimated to be \$35,838, \$3000 below the national average and ranking it 35<sup>th</sup> in the country.
- The state's African Americans and other minorities' household incomes were \$12,000 lower or 33% lower than the Whites and Asians household income.
- The Counties of Graham, Swain, Warren, Tyrrell all had at least 30% of their total households severely below (less than 30%) the state median income.
- Today, women workers earn \$.75 for every dollar a man earns. If single mothers earned the equivalent as men at the same job, they would earn \$4,459 more a year, cutting their poverty rate in half, from 25.3 percent to 12.6 percent.
- 60.5 percent of all renters had incomes at or below 80 percent of the area median income while only 32.3 percent of owners had incomes below that limit.
- In April 2000, the unemployment rate for the state was 2.7%, far below the national average of 3.9%.
- However, the Counties of Swain, Vance, Columbus, and Tyrrell all had employment rates above 10%.
- From 1996 to 1998, North Carolina had an average of 12.5% of its population below the poverty rate.
- Statewide, approximately 8.7 percent of whites were in poverty in 1989 while higher rates of poverty were found among African Americans with 27.1%, Native Americans with 24.4%, Hispanics with 19.2%, and Asians with 15%.
- According to the 1990 Census, the Coastal region had the highest poverty rate at 17.5 percent, while the poverty rate in the Mountain region was 13.2 percent and the Piedmont had the lowest poverty rate at 10.1 percent.
- Single-family headed households had the largest proportion of households in poverty with 27.8%.
- Of the more than half a million elderly households in North Carolina, 23.5 percent were in poverty.
- In 1999 Hurricane Floyd caused unprecedented damage throughout eastern North Carolina. Floodwaters left 51 people dead and damaged more than 56,000 homes in eastern North Carolina. It will be years before the eastern region of the state can recover.

- Between 1992 and 1997, rural land in the state was developed at a rate of 18 acres per hour, ranking it fifth in the nation in the number of acres converted (781,600 acres) over this time period.

## *Needs*

Among the many needs in North Carolina, the following are considered the most imperative community development needs that must be addressed within the next five years: 1) new infrastructure and infrastructure improvements, 2) micro-enterprise development, 3) economic self-sufficiency, 4) community capacity building, 5) education, training, and retraining 6) comprehensive neighborhood revitalization, 7) smart growth, and 8) complete recovery from Hurricane Floyd.

Without the means to provide safe drinking water and adequate disposal of wastewater, communities cannot protect the health of their citizens or provide a suitable environment for needed development. For many communities in the state's rural counties, the need for improvements to water and sewer systems is a matter of survival. New infrastructure and infrastructure improvements are crucial in attracting and keeping employers that provide workers with reasonable wages and, thus, allow communities to thrive.

With the loss of manufacturing base in many North Carolina communities, the need for a more diverse economic base has become more critical. Some people believe that by encouraging more diverse small businesses to develop, rather than large manufacturing plants, the state can fill the employment gap and give more low-income people the opportunity to succeed.

The best way for low-income people to attain self-sufficiency, is acquiring the necessary financial skills through economic literacy programs that will empower them. Counseling programs that inform people of their economic power options, and teach economic literacy and financial planning will allow low-income people to gather the necessary skills to become independent working members of society.

Many rural communities have good ideas about what needs to be done to strengthen their communities, but struggle to launch and sustain projects that will produce real returns – financial, social, civic, educational and environmental. Improving the capacity building at the local level through money and technical assistance is crucial to empowering local communities to solve their problems in the best way they see fit.

The state's Community Development Block Grant community revitalization program has been criticized for being overly narrow and inflexible, limited mainly to housing rehabilitation, water, sewer, and streets. The state's design of the CDBG program needs to encourage more comprehensive approaches within project or neighborhood areas; comprehensive approaches to community development integrate economic, physical, environmental, and human development in a coordinated fashion, responding to the total needs in a community.

According to the 21<sup>st</sup> Century Communities Task Force, formed by Governor Hunt, five major objectives were identified to enable the state to become more smart growth oriented: 1) providing more transportation choices, 2) preserving farms and open space, 3) maintaining the vitality of Main Streets and downtowns, 4) providing safe, decent, affordable housing, and 5) building a sense of community.

The confusing eligibility rules and complex application procedures intimidate many non-profits and inexperienced Community Development Corporations (CDCs). State agencies need to reexamine their policies and application procedures and offer better technical assistance.

Copious Federal and State funds have already been appropriated to help repair or replace the homes and businesses damaged or ruined by Hurricane Floyd, but these monies are still not enough to meet the needs. North Carolina still faces a massive shortfall. Based on conservative estimates from both state and federal agencies, North Carolina needs \$4.3 billion to meet all the needs and speed the recovery.

### ***State Strategies to Meet those Needs***

The three major strategies that the state will use in the next five years are –

- Building stronger neighborhoods through the continued use of the Water and Waste Water Infrastructure Program; emphasis on Community Capacity Building, implementation of a Comprehensive Neighborhood Revitalization Program, and the use of Smart Growth policies on programs.
- Job-Creation through Economic Development Grants and Loans
- Targeting Distressed Areas in the State, particularly Tier 1 and Tier 2 Counties, and State Development Zones

## **Introduction**

The State of North Carolina 2001-2005 Consolidated Plan is a comprehensive planning document that assessed the housing and community development needs and priorities of low to moderate-income individuals throughout the state. Based upon this assessment, major housing and community development needs were identified, priorities were determined, and goals and strategies were developed to address those needs and priorities for the future. The United States Department of Housing and Urban Development (HUD) requires that all state agencies that receive federal dollars from HUD for housing and community development purposes, collectively submit a single Consolidated Plan every five years.

### **Grants funded through the Consolidated Plan**

The four programs funded by HUD to North Carolina are the Small Cities Community Development Block Grants program (CDBG), which is administered by the N.C. Division of Community Assistance in the Department of Commerce, the HOME Investment Partnerships Program (HOME), which is administered by the N.C. Housing Finance Agency, the Emergency Shelter Grants Program (ESG), which is administered by the N.C. Office of Economic Opportunity in the Department of Health and Human Services, and the Housing Opportunities for Persons With AIDS Program (HOPWA), which is administered by the HIV/STD Prevention and Care Branch in the Department of Health and Human Services.

### **Purpose of the Grants**

Small Cities Community Development Block Grants (CDBG) help local governments improve deteriorating residential neighborhoods, support public services, install water and sewer facilities for residential areas or to job-creating sites, and to provide loans to large and small businesses. The HOME Investment Partnerships (HOME) helps local governments, nonprofit organizations, and developers build or improve affordable housing and provide rental assistance. The Emergency Shelter Grants (ESG) helps local governments and nonprofit organizations support emergency shelters and transitional housing for the homeless, provide essential services, and prevent homelessness. Housing Opportunities for Persons With AIDS (HOPWA) helps nonprofit agencies devise long-term comprehensive strategies for meeting the housing and service needs of persons living with AIDS or related diseases, and their families.

### **Purpose of the Consolidated Plan**

When HUD originally devised the concept of the Consolidated Plan, it was seen by some as an attempt to reduce the amount of paperwork from the various agencies applying for funding to their department each year. The Consolidated Planning Process now serves far greater purposes. North Carolina's Consolidated Plan not only serves as an application for federal funds under HUD's formula grant programs, but serves as 1) a planning document for the state and its recipients building on a participatory process at the all levels, 2) a strategy to be followed in carrying out programs funded by HUD, and 3) an action plan that provides a basis for measuring and assessing performance in the future. In addition, non-entitlement cities that apply directly to

these state agencies for HUD money, housing authorities, and other affordable home providers must then show that their use of HUD funds is “consistent” with the adopted State Consolidated Plan.

The State of North Carolina viewed the federal government’s requirement as a chance to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing and community development. The consolidated planning process offered an opportunity for strategic planning and citizen participation to take place in a comprehensive context. The process brought local governments, community organizations, state and federal agencies, service providers, and citizens together to address the larger picture in which the programs operate. It also offered the state an opportunity to shape the various programs into an efficient continuum of service delivery.

All four programs covered by the Consolidated Plan have three basic goals mandated in the Housing and Community Development Act and the National Affordable Housing Act, which relate to the major commitments and priorities of the Agencies. These goals are designed to help states develop viable communities by encouraging them to 1) provide decent housing, 2) provide a suitable living environment, and 3) expand economic opportunities for low to moderate income persons. Key to all programs, HUD monies tied to the Consolidated Plan are targeted by law to primarily benefit low to moderate-income people.

### **Impact of Census 2000 Data**

At the time of the preparation of the plan, the only relatively accurate data available was from 1990 Census. Although we believe that there has been significant change in the demographics of North Carolina since that time, the 1990 data is the best available. Any current estimates available were used where applicable. When data from the 2000 Census is obtained, the plan will be reviewed to see if it is in accordance with the new data. Depending on the review, we will either amend the 2001-2005 Consolidated Plan as necessary or prepare a new 5-Year Consolidated Plan at that time.

## **Consolidated Plan Partners**

Although the N.C. Division of Community Assistance in the Department of Commerce was designated the lead agency for the plan, it was the collaborative effort of all the partners – the N.C. Housing Finance Agency, the N.C. Office of Economic Opportunity under the Department of Health and Human Services, and the HIV/STD Prevention and Care Branch under the Department of Health and Human Services, that truly made the consolidated planning process a worthwhile endeavor. A summary of each agency and the activities they provide follows.

### **The Division of Community Assistance**

The Division of Community Assistance (DCA) provides aid to North Carolina's local governments and nonprofit community organizations in the areas of community development, growth management, economic development, and public management through the Community Development Block Grant (CDBG) program, the Main Street program, and through direct technical assistance to local governments. The federally funded Community Development Block Grant program provides funds to local governments for community and economic development to benefit low- and moderate-income people. Typical projects may include housing rehabilitation, new affordable housing, neighborhood infrastructure improvements such as installation of water and sewer lines, adaptive reuse of older buildings, and small business development. The Main Street Program helps to strengthen North Carolina's downtowns as a focal point for community life and economic activity. Main Street staff works with communities, local businesses and state agencies to strengthen downtown revitalization efforts. The Community Planning Program has staff in seven regional offices to assist local governments and community organizations with a variety of tasks, including: strategic planning, growth management planning and ordinances, capital improvement planning, goal setting, program development, and intergovernmental planning and coordination.

### **The North Carolina Housing Finance Agency**

Since its creation in 1973 by the General Assembly, the North Carolina Housing Finance Agency has financed more than 100,000 affordable homes and apartments for North Carolina citizens. Its mission is to lead in creating affordable housing opportunities through the effective investment of public and private capital, professionalism, and responsiveness to the needs of its partners and the people it serves. The Agency operates federal and state housing programs including the Mortgage Revenue Bond Program, Housing Credit Program and N.C. Housing Trust Fund. Using these and other sources of funds, including earnings, the Agency provides a variety of services ranging from low-cost mortgages for first-time homebuyers to helping local governments, nonprofit organizations and private owners develop affordable homes and apartments.



## **The HIV/STD Prevention and Care Branch**

The mission of the HIV/STD Prevention and Care Branch is to reduce and eventually eliminate morbidity and mortality due to sexually transmitted diseases (syphilis, gonorrhea and chlamydia), Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS), and to assure that an up-to-date continuum of care services are available to all HIV-infected individuals residing in North Carolina. The Unit administers the following federal programs: Ryan White HIV C.A.R.E. Program, HIV Case Management Services, Medicaid Community Alternatives Program (CAP-AIDS), HIV Medications Program/AIDS Drug Assistance Program, and Housing Opportunities for Persons With AIDS (HOPWA). The AIDS Care Unit contracts with a variety of regional and local community-based organizations, including HIV Care Consortia, public health departments, home health agencies, hospitals, family care homes, independent living apartments, transitional houses, housing authorities, AIDS service organizations, and others for the provision of services through these programs.

The North Carolina HIV/STD Prevention and Care Branch in general provides 1) information on STDs, HIV and AIDS for individual citizens, the media, policy makers, service providers and healthcare workers; 2) resources for public health professionals and community-based organizations trained to assist in the prevention of STDs (including HIV/AIDS); 3) STD treatment guidelines for health care providers; 4) information about a variety of case management and care services available to persons living with HIV/AIDS; 5) statistics on Sexually Transmitted Diseases (including HIV/AIDS) in North Carolina; 6) a collection of resources for public health prevention efforts directed toward reducing the number of cases of HIV/AIDS/STDs in North Carolina; 7) information for use in health policy planning, evaluation and research; and 8) presentations to special interest groups.

## **N.C. Office of Economic Opportunity**

The Office of Economic Opportunity, formerly known as the State Economic Opportunity Office, was established in 1966 to provide training and technical assistance to Community Action Agencies. In 1981 the Office was assigned the responsibility of administering the federal Community Services Block Grant (CSBG) Program. Since that time the Office has also assumed administrative responsibility for the Emergency Shelter Grants Program (ESG), the Community Action Partnership Program (CAPP) and the Community Food and Nutrition Program (CFNP). The major goals of the Office are to 1) encourage local grantees to develop and administer new and innovative projects that better address the causes, conditions and problems arising as a result of the changing characteristics of the poverty population, 2) serve as an advocate for low-income individuals and families on the state level, and 3) promote grant activities that will enable low-income individuals and families to become self-sufficient.

## **Consultations**

According to the regulations regarding the North Carolina Consolidated Plan, State Agencies are encouraged to consult with “other public and private agencies that provide assisted housing, health services, and social services (including those focusing on services to children, elderly person, persons with disabilities, persons with HIV/AIDS and their families, homeless persons) during preparation of the plan.” As a result, the North Carolina Consolidated Plan partner agencies coordinated consultations in different regions of the state, convening specific functional areas.

### **The HIV/STD Prevention and Care Branch**

#### ***HIV/STD/AIDS***

The HIV/STD Prevention and Care Branch and the AIDS Care Unit work closely with several committees and planning groups throughout the state. The North Carolina AIDS Advisory Council (NCAAC) and the AIDS Care Unit Advisory Committee (ACUAC) are two existing structures and processes convened by the State Health Director and Branch to provide guidance on the use of HOPWA and other care and support resources, and on care- related policy issues. The AIDS Care Unit consults with the HIV Medications Program Advisory Committee, with their role being to help guide the State’s AIDS Drug Assistance Program (ADAP), as well as serving as advisors on other medical issues.

Moreover, the HIV/STD Prevention and Care Branch and the North Carolina Department of Public Instruction have continued to coordinate activities through the North Carolina Comprehensive School Health Training Center. The School Health Training Center seeks to foster the development of competent programming related to sexuality. The Branch assists with the identification of agencies serving youth at risk and counties with high morbidity as it relates to HIV/STDs.

The Branch works closely with the Department of Corrections in order to support the availability and provision of quality services for HIV-infected individuals while they are within the correctional institutions and upon their release and return to the community.

#### ***Other Special Needs***

The Independent Living Rehabilitation Program in the Division of Vocational Rehabilitation Services coordinated the information for the physically disabled. The quarterly report of the Independent Living Advisory Committee, comprised of consumers, including representatives of interest groups and other persons with severe disabilities, identified the needs of the physically disabled. The Center for Accessible Housing at North Carolina State University provided additional information.

The North Carolina Division of MH/DD/SAD coordinated their information through the Division’s Cross-Disability Housing working group. The Adult Community Mental Health

Section gathered information from local area programs, epidemiological statistics, and the results of the 1999 Adult Mental Health Wait List Survey. The Developmental Disabilities Section of the Division collected most of the development disability information using a residential services needs assessment and the Section's Ten Year Plan. For persons with Alcohol/Other Drug Addictions, the Substance Abuse Services Section of the Division coordinated the collection of data by talking with other staff members within the Substance Abuse Services Section.

### **Office of Economic Opportunity**

In order to obtain the most up-to-date numbers possible regarding homeless individuals and families in the State of North Carolina, the following was done. Data on the incidence of homelessness and available facilities was collected from various entitlement communities' Consolidated Plans. Data on homeless individuals and families served by the 121 facilities for the homeless that received funding from the State's Emergency Shelter Grants Program from July 1, 1998 to June 30, 1999 was analyzed. Surveys of all county managers and directors of county departments of social services were conducted by the Office of Economic Opportunity to determine other homeless service and housing providers not known to the State. Specific demographic information was obtained from the following: the NC Department of Health and Human Services, AIDS Care Branch, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, NC Council on Women, NC Employment Security Commission, NC Department of Public Instruction, and National Center for Homeless Education at SERVE. National or regional data was obtained from National Runaway Switchboard, National Association of Social Workers, National Coalition for the Homeless, and the US Department of Health and Human Services.

Through contacts with these providers, local and state agencies, and national organizations a clear picture emerged. As before, homelessness continues to be predominantly a function of poverty; lack of a support system; alcohol and substance abuse problems; and families ill-equipped for independent living.

### **Division of Community Assistance**

Early in 1999, at the request of the Community Development Council, the Division of Community Assistance and local practitioners formed an independent Community Development Partners Committee (CDPC) to review the State's Small Cities CDBG Program and make recommendations for improvement on the grants and policies within the program. The Committee met for nearly a year, often twice per month, to discuss the current CDBG Program, analyze its shortcomings, and make suggestions for its improvement. The CDPC Committee made extensive efforts to include input from a variety of citizens, community development service agencies, and public interest groups. The CDPC Committee along with DCA staff went as far as to hold five public forums at five separate locations throughout the State for public input on the CDBG Program. (See Appendix D for more detail on changes in the CDBG program as a result of the Committee's recommendations)

DCA Staff made presentations at several constituent conferences, including the NC League of Municipalities, the NC Association of County Commissioners, the NC Community Development

Association, and the NC Chapter of the American Planning Association. DCA also holds numerous public and technical assistance workshops for particular grants it administers throughout the year, in which suggestions or comments about the CDBG program can be made at any time.

### **North Carolina Housing Finance Agency**

In addition to its regularly scheduled program application workshops, North Carolina Housing Finance Agency conducted 6 consultations with groups around the state. The objective of the consultations was to gather feedback on: specific housing and/or non-housing community economic development needs; which agency programs have been used; what housing trends and most critical housing needs were detected; and how the agencies could work better in their areas. This information gathered was to be incorporated into the strategic plan and the agency programming goals where appropriate and relevant.

Consultations were held: on August 8 with the Region D (Ashe, Alleghany, Avery, Mitchell, Watauga, Wilkes and Yancey counties) Council of Governments in Boone; on August 14 and 16 in Raleigh with staff members and housing resource persons from regional offices of the Division of Mental Health, Developmental Disabilities and Substance Abuse; on August 18, in Bryson City, with the staff members of the Region A Council of Governments (Cherokee, Clay, Graham, Haywood, Jackson, Macon and Swain counties); on August 21 with Directors and Board Members Public Housing Authorities at the Carolinas Council Conference held in Hilton Head, South Carolina; and on September 12, at the quarterly meeting of the Public Housing Authority Directors in Raleigh.

The needs that were discussed varied from each region and with each group convened. The needs ranged from housing rehabilitation, new rental and single family unit production, program requirements and guidelines, and addressing living wage issues, to developing housing for special needs populations earning 0-30% of Median Family Income, training of contractors, assisting very low to moderate income families and individuals, with and without special needs, and developing collaboration with public housing authorities. The key recommendations were centered around increased funding; amending programs to consider regional issues; focusing on homeownership, housing preservation and other opportunities and for low to moderate income families — particularly those who are elderly and with special needs.

## **Public Participation**

The state agencies believe that public participation is one of the most important aspects to the Consolidated Plan. Who better to make comments and suggestions for improvement than those individuals that use our programs? The state, however, realizes that receiving comments throughout the state from low-income people would be a difficult and overwhelming process. As such, the state decided to concentrate its efforts on those advocacy groups that work most closely with low-income people, particularly state agencies, local governments, non-profit community development groups, and private interest groups. As individuals who work with low income everyday, the state feels that these groups can best represent the needs of the people receiving our grants.

After many discussions amongst the four partners, it was decided that in an effort to reach all of the state agencies, local governments, non-profits, private interest groups, and the general public that use our programs, we would hold a series of public workshops throughout the state. In an effort to have a more participatory process from the public, we hired Marie Hopper, from the Institute of Cultural Affairs, to train us in a technique called the “Workshop Method”, where the agency representatives would only act as facilitators, and the participants would actually determine the outcome of the workshop by describing the housing and community development needs and identifying the obstacles of reaching those needs. The “Workshop Method” is designed to generate creativity and new energy in a short period of time, catalyze integrated thinking both rational and intuitive, build a practical group consensus, and infuse a group with a sense of responsibility. There are five methodical steps to the “Workshop Method”: 1) context – setting the stage, 2) brainstorming – generating new ideas, 3) organizing – forming new relationships, 4) naming – discerning the consensus, and 5) reflection – confirming the resolve.

These workshops were held in the month of July in the cities of Asheville, Asheboro, and Tarboro. We invited numerous housing and community development advocates, local community leaders, concerned citizens, nonprofit organizations, the private sector and representatives of state and federal agencies, to participate and voice their opinions on the needs of the low to moderate income people they represent and the obstacles that prevented the state from meeting those needs. Over 150 people attended, and over 500 comments were received.

We had an opening session where we addressed the audience, explained the purpose of the workshop, and how it would be conducted. Each participant would have the choice to attend one of the three sessions that was most applicable to their agency or they had the most interest in. The three sessions were 1) Rehabilitation, 2) Special Needs/Supportive Housing and Rental Housing, 3) Home Ownership and Non-Housing Community Development Needs. The results of the workshop are provided in Appendix A.

We then analyzed the information from the workshops, pulling out those comments that recurred over and over, especially across geographic lines, which indicates at least to us that the state is not meeting particular needs of its low to moderate income people regardless of geography.

Reaction to the workshops was quite positive, and most felt that their voice had been heard. Staff was so delighted by the outcome, that we recommend its use for our Annual Plan process, by inviting those that attended the 5-Year Plan and others to a similar workshop on a yearly basis. Instead of concentrating on Needs and Obstacles, the Annual Plan workshops will focus on developing and evaluating Strategies and Policies that will meet those needs and overcome the obstacles identified. The state sees the 5-Year Plan as the foundation of partner's programs and that the Annual Plan's strategies and programs should correlate to the priorities and goals as set out in the 5-Year Consolidated Plan.

A public hearing was also held on October 12, 2000 by teleconference at the following sites: Greenville, Raleigh, Statesville, Waynesville, and Whiteville. Staff presented information on both the Five Year Consolidated Plan and 2001 Action Plan, and then the audience was allowed to comment or ask questions afterwards. Staff responded to questions and comments, and the hearing was adjourned; minutes of that hearing are available upon request.

The draft of the entire Consolidated Plan and Action Plan were also available to the public on the Internet at [www.dca.commerce.state.nc.us](http://www.dca.commerce.state.nc.us). Hard copies were sent to those individuals who requested them. Public comments were accepted through October 31, 2000, and summaries and responses to those public comments are available in Appendix B.

Copies of the plans are still available by mail to the Division of Community Assistance, 4313 Mail Service Center, Raleigh, NC 27699 or by phone: (919) 733-2850.

## **Demographics**

### **Introduction**

Population characteristics and trends are important ingredients in assessing a state's needs. An examination of past demographic trends, coupled with a forecast of future growth, is important to the planning process and the programming of a variety of services such as housing and community development. Failure to assess and address these needs could have a negative impact on meeting those needs in the future.

### **Physical Characteristics and Regional Differences**

North Carolina covers 52,669 square miles with a diverse landscape. Just as states differ in their housing and community development needs based upon geography and other circumstances, regions and counties within states have different needs. Because of its location in the Appalachian Mountain Range, Western North Carolina offers an unrivaled quality of life with a mild climate and a natural setting second to none. Yet, while its rural character is seen as asset, living in the Mountains has its liabilities. Poor topography causes housing construction costs to be higher than other regions in the state and makes it difficult to construct the roads and infrastructure that would bring higher paying jobs to the area. Therefore, families, with low-incomes due to poor wages are unable to purchase most housing in the area.

While the western part of North Carolina is the most rural and has the least population density of the three regions, the Piedmont region in the central part of the state contains the majority of the state's population. Most all of the state's urban centers- Charlotte, Greensboro, Durham, Raleigh, and Winston Salem are located there. Unlike, the Mountain Region, the Piedmont has seen unprecedented economic growth over the past several years, but at a cost. Unbridled suburban sprawl has become a hot issue in the central part of the state, as quality of life has deteriorated in the name of economic prosperity. Realizing that there is little sign of the region's growth slowing anytime soon, the state must be prepared to not just grow but also grow smart.

The Coastal Region of North Carolina could itself be divided into two regions – the narrow coastline along the Atlantic Ocean and the rural counties surrounding I-95. While growth in the Coastal region has been concentrated along the Atlantic Ocean, agriculture continues to be a prominent industry and the area maintains a distinctly rural character. It has incurred many of the same problems that are plaguing the Mountain Region, particularly a lack of high-paying industries. Another important factor is the impact Hurricane Floyd has had primarily on the Coastal Region and the new demands for housing that it has brought.

### **Population**

According to the U.S. Census Bureau, there were 6,628,637 persons living in North Carolina in 1990, which averaged out to 125.85 people per square mile, ranking it the 11<sup>th</sup> highest total in the nation. In 1999 the population was estimated to be 7,650,789. That is a population gain of a more

than a million people over a nine-year period, and a growth rate of 15.4%, a rate which ranked 6<sup>th</sup> highest in the country. In 1960 North Carolina had a population of 5,082,059 ranking it 12<sup>th</sup> highest at the time. From that time it has surpassed the populations of Indiana and Massachusetts and only been surpassed by the state of Georgia.

While population growth is a good barometer for the overall economic well being of a state, we as a state need to be prepared to meet the needs of growing population. More importantly, this population growth is also diversifying, requiring different goods and services that were traditionally not provided in the past. The state defines diversification not just for higher concentrations of minorities, but the increasing numbers of the elderly, single mothers, homeless, people with AIDS/HIV, and people with disabilities. The sections below will describe the changing face of the people of North Carolina and give insight to the challenges that the state will face in meeting the needs of North Carolinians well into 21<sup>st</sup> century.

### **Births and Deaths**

From 1990 to 1999, there were 967,386 births (11<sup>th</sup> in the U.S.) and 586,354 deaths (10<sup>th</sup> in the U.S.) in North Carolina, resulting in a net natural increase of 381,032 people. That is a .6 % natural increase per year, ranking North Carolina 17<sup>th</sup> in the nation percentage wise. As was mentioned at the beginning, total population increased by over a million people within the nine-year period, meaning that natural increase accounted for more than one-third of the entire population increase.

While the birth rate is important for the state's population numbers, one must investigate further to notice that some of the birth statistics are quite disturbing. Births by teenage mothers in North Carolina accounted for 14.3% of the total births in 1997, ranking that the 14<sup>th</sup> highest in the nation. According to the Annie E. Casey Foundation in 1998, the consequences of adolescent pregnancy and childbearing are serious and numerous: 1) Teen mothers are less likely to graduate from high school and more likely than their peers, who delay childbearing, to live in poverty and to rely on welfare. 2) The children of teenage mothers are often born at low birth weight, experience health and developmental problems, and are frequently poor, abused, and/or neglected. 3) Teenage pregnancy poses a substantial financial burden to society, estimated at \$7 billion annually in lost tax revenues, public assistance, child health care, foster care, and involvement with the criminal justice system.

### **Migration and Mobility**

The remaining two-thirds of the population increase was due to in migration of individuals from outside the state. Over 612,385 people moved into North Carolina from 1990 through 1999. International immigrants numbered 58,122 which ranked North Carolina 18<sup>th</sup> highest in the country, while domestic immigrants numbered 554,268 which ranked North Carolina 5<sup>th</sup> highest in the country. Such a statistic indicates that the mass exodus from the Northern Belt that we have been hearing about over the past decade is now having an effect on North Carolina. In the past states like Florida and California were the only major recipients of the Sun Belt phenomenon; now states such as North Carolina, Georgia, Colorado, Arizona, and Nevada have as much appeal or even more appeal than their predecessors. What North Carolina and the others need to be cognizant of, however, is learning from the mistakes of Florida and California,





where sprawl and the decline of quality of life have become major issues due to the tremendous influx of people. While economic prosperity and growth are key to a state's survival, the ability to deal with that growth must be planned well in advance.

<b>North Carolina Residence in 1990 as compared to 1985 for Persons 5 Years and Over</b>	
<b>Location</b>	<b>Population</b>
Same House in 1985	3,350,897
Different House in U.S. in 1985:	
Same County	1,456,440
Different County:	
Same state	550,534
Different state:	
Northeast	155,172
Midwest	112,906
South	407,600
West	73,089
Abroad in 1985:	65,663

Table 1

Source: U.S. Census Bureau, 1990

Table 1 above describes the population migration from 1985 to 1990 not only for migration into the state, but also within the state. Over a half a million people did not live in the same county in North Carolina in 1990 as they did in 1985. The map on the next page shows the number of people moving from one county in the state to another from 1985. It can be inferred from the map that the majority of people are moving from the Northeast and Western parts of the state, which are rural in nature to the metropolitan centers of Charlotte and Raleigh, mostly for better job opportunities. The impact this has on the small towns in rural North Carolina is significant because these areas are losing a considerable amount of their population as well as their tax base (a further description of the impact that has on those communities is provided below).

## Urban vs. Rural

The issue of urban vs. rural in the U.S. has been discussed by demographers since the dawn of the Industrial Revolution. Decade after decade, America as a whole has seen the continued movement from a rural society to an urbanized one. Although North Carolina has seen its fair share of immigration to the larger metropolitan areas, it is still one of the most rural states in the nation. In 1990 a little more than half of the state's population, 3,335,570 people resided in or around an urban area, while 3,293,067 people lived in what are considered rural regions. That ranked North Carolina 6<sup>th</sup> in the nation in the percentage of its population still living in rural areas.

The impact of urbanization can be divided into two categories – rural areas not located near central cities and rural areas surrounding central cities. Today, most people that are moving to

and in North Carolina are choosing to live in suburbs outside the central city, which only decades ago were often very rural farmlands. Unfortunately, many of these areas were not prepared to deal with this sudden influx of people; roads and sewer are often inadequate, resulting in traffic jams and negative impacts on the natural environment. Without any formal measures in place to manage or direct growth, this trend toward urbanization of our rural areas and open space is expected to continue.

As for the rural regions not located near the central cities, the impact has been different but even more devastating. The Census reported that the percentage of residents living in a rural environment decreased 7.0 percent between 1970 and 1990. The loss of manufacturing jobs, which were often the only source of employment of rural communities to Mexico and other foreign nations and downsizing due to improved technology has left the people in rural North Carolina with few job opportunities. Thus, high unemployment rates are not uncommon, wages are low, and poverty abounds. With little hope of improving, many of the people from these rural communities have decided to pull up roots and move toward the central cities, which have more abundant job opportunities. While this might be beneficial to the individual, rural communities suffer; the investment that these communities have made in their young people through education and job skills is never returned.

## Age

The median age for North Carolinians in 1999 was 35.5 compared to 33.0 in 1990. This trend is not unique to North Carolina; people are simply living longer lives than they were decades ago. Modern medicine, better eating habits, and exercise have developed much better immune systems in humans and, thus, allowed them to live longer. While this is seen as good news, we must be prepared to meet the needs of an aging population. The elderly, particularly the severely elderly, is the fastest growing age cohort in North Carolina. In 1999, the 85 years and above age cohort increased an astounding 50% from the number that was reported in 1990. As the Baby Boomer generation (those born between 1946 and 1964) nears retirement, the growth of elderly North Carolinians (age 65 and over) is expected to increase rapidly. Today the elderly account for 12.5% of the population in North Carolina, by 2025 they will account for 21.4%. Nationwide North Carolina's proportion of elderly residents was 31st highest in 1995; in 2025, North Carolina will have the 11th largest elderly sector.

Population by Age 1990	
Age	Population
0-5	544,956
6-13	706,339
14-17	357,198
18-21	456,089
22-24	310,561
25-34	1,152,229
35-44	1,008,277
45-54	705,099
55-64	585,832
65-74	486,119
75-84	247,081
85 and above	68,857

Table 2

Source: U.S. Census Bureau, 1990

## Gender

There were 3,417,212 females and 3,211,425 males in North Carolina in 1990. Just like most of the United States, females composed over 51% of the total population. The one percent difference probably could be directly attributable to the fact that women typically live longer than men. Why mention gender as a component of the population statistics for the state's purposes of distributing federal dollars? Although women are the majority, they still are a minority when it comes to employment and earnings. The disparities in poverty among working-age men and women are reflected in the fact that "women are less likely to be employed than men, remain more likely to interrupt paid work to devote time to childrearing, and continue to earn considerably less than men when they work at the same job." ("Women, Work, and Family in America". Suzanne M. Bianchi and Daphne Spain, 1996.)

## Race

<b>Population by Race</b>		
<b>1990</b>		
Population	<i>Number</i>	<i>Percent</i>
White (non-Hispanic)	4,971,127	75%
African American (non-Hispanic)	1,449,142	22%
Hispanic (all races)	76,726	1%
Native American	80,155	1%
Asian/Pacific Islander	52,166	0.8%
Other	31,502	0.5%
Total Population	6,628,637	100%

Table 3

Source: U.S. Census Bureau, 1990

In 1990 whites comprised of more than 75% of the population for North Carolina with 4,971,127 people, while African Americans were second at 1,449,142, or 22% of the population. Native Americans, Asian/Pacific Islanders, and other races accounted for the remaining percentage of 3% or 240,549 people.

Today, according to U.S. Census estimates, the number of African Americans in North Carolina has increased to 1,686,000 people ranking that number 7<sup>th</sup> highest in the nation. (See map on the following page) From 1990 to 1999, the number of Hispanics living in this state has been

estimated to increase by 125%, up to 175,000 people. During that time frame, new job



opportunities in such industries as construction and service have brought Hispanic immigrants to states that had little previous experience with immigrants such as Arkansas, Georgia, and North Carolina. In fact, North Carolina ranked behind only Arkansas and Nevada in the percentage increase in the Hispanic population from 1990 to 1999.

Although North Carolina ranked 18<sup>th</sup> in the number of Asian and Pacific Islanders in the U.S. in 1999, it was the 3<sup>rd</sup> highest in percent change from 1990 to 1999, only behind Georgia and Nevada. Again this can be attributed to the fact that all these states have enormous amount of job opportunities available, particularly in the technology and service industries.

Areas of minority concentration are defined as those counties in which minorities make up 35% or more of the county population. In 1990, there were 22 counties in this category: Anson, Bertie, Bladen, Caswell, Chowan, Durham, Edgecombe, Gates, Granville, Greene, Halifax, Hertford, Hoke, Jones, Lenoir, McDowell, Northampton, Tyrrell, Vance, Washington, Warren and Wilson. Most of these counties are located in the eastern portion of the state, considered to be the poorest region in the state.

Nationally, racial and ethnic minorities now account for one-fourth of the U.S. population. By 2015, projections indicate that minorities will make up one-third of all Americans—a phenomenon already seen among children and youth. (1999 United States Population Data Sheet, by Kelvin Pollard, 1999.) Although North Carolina is more diverse than most, there are enormous disparities in education and income between whites and minorities. It is the goal of the state to try to narrow this gap as our state continues to diversify.

## Educational Attainment

<i>Educational Attainment for Persons 25 Years and Over</i>		
<b>1990</b>		
<b><i>Attainment</i></b>	<b><i>Population</i></b>	<b><i>Percentage</i></b>
Less than 9 <sup>th</sup> Grade	539,974	12.7%
9 <sup>th</sup> to 12 <sup>th</sup> , no Diploma	737,773	17.3%
High School Graduate, or Equivalency	1,232,869	30.0%
Some College, no Degree	713,713	16.8%
Associate Degree	290,117	6.8%
Bachelor's Degree	510,003	12.0%
Graduate or Professional Degree	229,046	5.4%

Table 4

Source: U.S. Census Bureau, 1990

In 1990, only 30% of people in North Carolina above the age of 25 had not attained a high school degree, compared to the 45% who had not attained a high school degree in 1980. While North Carolina has seen a great improvement in educating its young people over that time frame, there is still a large portion of the state's society that is being left behind. Over 41% of minorities over the age of 25 had not attained their high school degree or equivalency;

meanwhile 73% of whites received their high school diploma. The inability of minorities to attain their high school degrees has lead to poorer paying jobs and, thus, lower wages. According to the US Census Bureau in its March 1998 Current Population Survey, the average earnings in 1997 for a persons aged 18 and over with a high school degree was \$22,895 versus \$40,478 for an individual with a Bachelor's Degree. Those with advanced degrees earned an average of \$74,445, while those who didn't finish high school earned only an average of \$16,124 per year. The discrepancy goes beyond race, because location also plays a factor. According to a 1997 report by the N.C. Rural Economic Development Center, 26.5% of rural adults had less than a high school education, compared with 16.5% of urban adults.

## Households

<i>Household Type and Presence and Age of Children</i> <b>1990</b>	
<i>Household Type</i>	<i>Number of Households</i>
Married Couple Family:	
With own Children under 18 years	652,007
No own Children under 18 years	796,149
Other Family:	
Male Householder, no wife present:	
With own Children under 18 years	31,588
No own Children under 18 years	42,131
Female Householder, no husband present:	
With own Children under 18 years	164,000
No own Children under 18 years	138,590
Non-family households	692,633

Table 5

Source: U.S. Census Bureau

There were a total of 2,517,098 households in the state in 1990. 1,824,465 of them were families, while the remaining 692,633 were households whose members were related neither by blood nor marriage. The average persons per household was 2.63 in 1990, compared to the 2.78 average in 1980. We should expect this, because smaller households have been a continuing trend every decade since the Industrial Revolution.

Married households represented 57.5 percent of all the state's households in 1990. Married couples without children under age 18 made up 31.6 percent of the total, while just over 25 percent were married couples with children under 18. Single parents headed approximately 15 percent of all households; in 1980, that number was just above 9 percent. What is most disturbing is the number of women who are raising children. Nineteen percent of households with children under 18 are headed solely by women, which is the type of household most susceptible to poverty.



## Population Projections

Year	Population Projections
1999	7,650,789
2000	7,777,000
2005	8,227,000
2015	8,840,000
2025	9,349,000

Table 6

Source: Office of State Planning, 2000

When the state revisits the Consolidated Plan five years from now, the population is expected to be over 8.2 million people in 2005 – over 9.3 million by 2025. That is an average gain of over 60,000 people a year. The data presented in this section paints a picture of a state that is growing and changing. The state is becoming more ethnic, older, mobile, and increasingly urbanized, with growth forecasted to continue well into the next few decades.

A downside to the growth is the possibility that the growth could overwhelm the state, and threaten the quality of life, which has made the area an attractive place to live and do business. Development trends show that subdivision development is extending into the unzoned and rural areas. Urban sprawl development into rural areas not only destroys the character of an area but also places demands on public services providers who often are not equipped to handle the growth. The result can be overcrowded roads and schools, as well as inadequate fire protection and overburdened police services. The state is pursuing a strategy that allows growth to occur in a well-managed and thoughtful way and at the same time maintain and preserve its scenic vistas, open space, and unique character. While the quantity of the state's future population can be projected with some reliability, quality of life is unpredictable at this point. The quality of life for future residents will depend on how we are able to manage our growth and accommodate the needs of a growing and changing population.

## **Housing Market and Inventory Conditions**

### **General Market and Inventory**

<b>North Carolina Housing Stock Inventory 1990</b>				
	Total units	0-1 bedroom	2 bedrooms	3 or more bedrooms
Total year-round housing	2,931,474	257,255	1,024,510	1,649,709
Total occupied units	2,517,026	198,843	835,775	1,482,408
Renter	805,144	168,084	398,424	238,636
Owner	1,711,882	30,759	437,351	1,243,772
Total vacant units	414,448	58,412	188,735	167,301
For rent	83,414	17,988	44,251	21,175
For sale	29,867	1,234	9,417	19,216
Other	301,167	39,190	135,067	126,910

Table 7

Source: U.S. Bureau of the Census, 1990

According to the 1990 Census, there are 2,931,474 year-round housing units in North Carolina. Of these, 888,558 (30%) were rental units and 1,741,749 (59%) were owner occupied. Based on the issued permits for construction and demolition in North Carolina, as well as manufactured home placements, the estimated number of housing units as of July 1, 1998 in North Carolina was 3,366,723. This signifies a net increase of 548,650 units or 19.5 percent from 1990.

The proportion of mobile homes in the housing stock has dramatically increased. In 1990, mobile homes comprised 15% of all housing units (439,721 total units) in the state. Between 1991 and 1998, there were 212,800 manufactured homes placed in North Carolina, bringing the total estimated number of manufactured homes in North Carolina to 652,521 or 19% of the housing stock. Manufactured homes represented 28% of the total number of new housing units added between 1991 and 1998.

The total number of housing units added in North Carolina from 1990 to 1998 (including manufactured homes) was 761,450, an increase of 26 percent. In the same time, North Carolina had an increase of 365,097 of households (14.5 percent).

North Carolina had the 13<sup>th</sup> highest percent increase in total households in the United States from 1990 to 1998, but had the 6<sup>th</sup> highest percent increase in total housing units for the same time period. The disparity between the ratio of new households to new housing units and the vacancy rate could be explained in part by overbuilding. There also may be units lost from the existing

housing inventory due to demolition or conversion that go unreported, thus inflating the net number of additional housing units.

Another reason for the large increase in new units when compared to households is second home development. According to the Joint Center for Housing Studies special tabulations, North Carolina has a number of counties in which, compared to the rest of the nation, second homes make up a high share of the total homes. These counties include: Brunswick, Macon, Dare, Avery, and Carteret. The second home share of units in 1990 ranged from 34.3% in Brunswick County to 28.8% in Carteret County.

<b>Metro Area</b>	<b>Total Permits 1990-1998</b>	<b>1990 Housing Stock</b>	<b>Permits as share of 1990 stock (%)</b>
Wilmington	30,200	94,200	32.1
Raleigh – Durham	113,800	359,300	31.7
Greenville	12,500	43,100	28.9
Charlotte	124,100	472,900	26.2

Table 8

Source: Joint Center for Housing Studies' tabulations of the Census Bureau's Construction Reports

North Carolina also has a number of Metro Areas that are among the top 20 in the United States in adding more than 25% to their housing stock between 1990 and 1998. According to the US Census Construction Tables, North Carolina's 12 Metropolitan Statistical Areas (MSAs) (not including Norfolk – Virginia Beach – Newport News MSA) had 68,331 new privately owned housing units authorized in 1999. Since the state as a whole had 84,754 new privately owned housing units authorized for the same period, approximately 78% of the state's new privately owned housing units were authorized in MSAs in 1999.

In 1990, single-family units comprised a large majority of all units (65.2%), but as more people move into North Carolina, multifamily units comprise an increasing proportion of the housing stock, especially in urban areas. Between 1991 and 1999 there were 451,570 one-unit permits issued, 9126 two-unit permits issued, 6817 three to four-unit permits issued and 102,022 five or more-unit permits issued (See *Table 9 below*). While one-unit permits made up the majority of units authorized during this period (79.3%), five or more-units increase from 10.7% of units authorized in 1991 to 22.0% of the units authorized in 1999. The number of permits issued annually has increased steadily from 39,034 in 1991 to 84,754 in 1999.

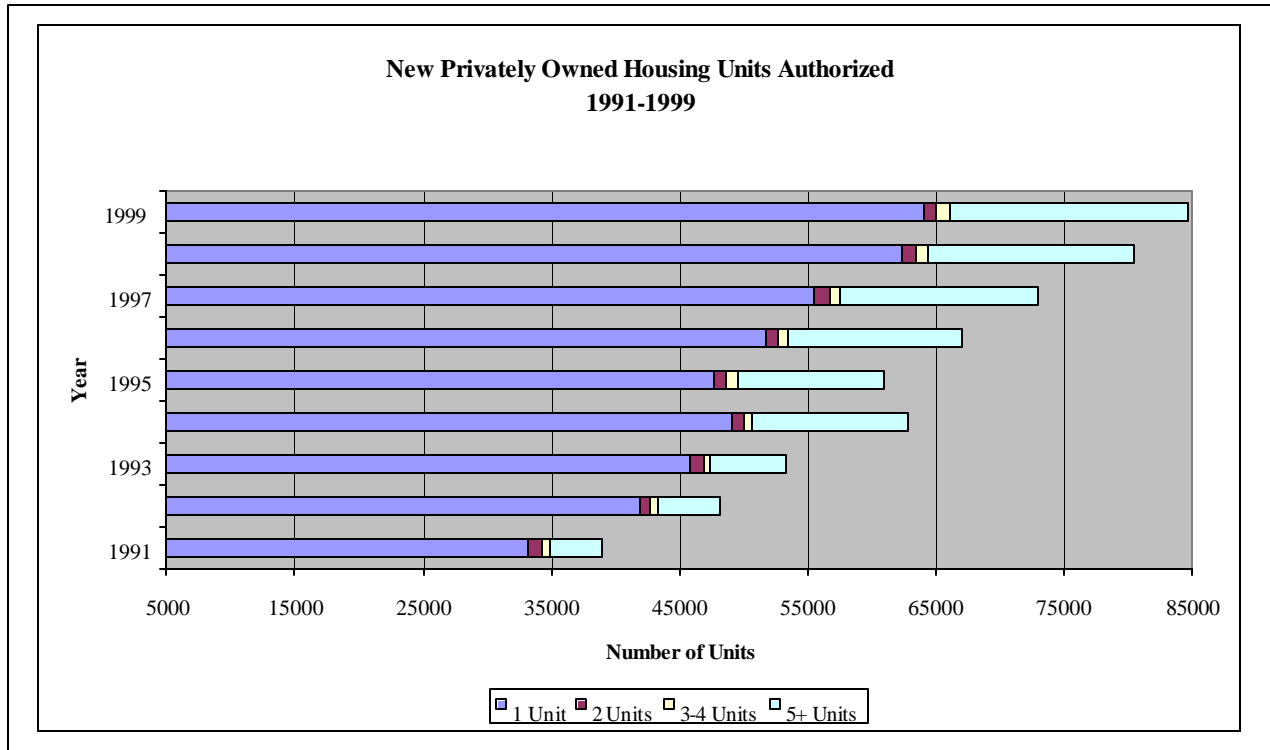


Table 9

Source: US Census Construction Table, 1991-1999

## Housing Vacancy Status

In 1990, there were 32,070 vacant units for sale and 81,952 vacant units for rent in North Carolina. Also, there were 98,714 units vacant for seasonal use, 88,431 units vacant for other reasons and 1,429 units vacant used for migrant workers. The vacancy rate for owner-occupied units was 1.8 percent and the vacancy rate for rental units was 9.2 percent.

In 1999, North Carolina had a homeownership vacancy rate of 1.9% and a rental vacancy rate of 10.8%. (See Table 10) In the past 14 years the national homeownership vacancy rate has remained near 2%, and the statewide average has more or less mirrored that. In the same period, the North Carolina rental vacancy rate has lagged behind the national average for most of the time; however, it surpassed the average between 1995-1996 and continued to do so through 1999.

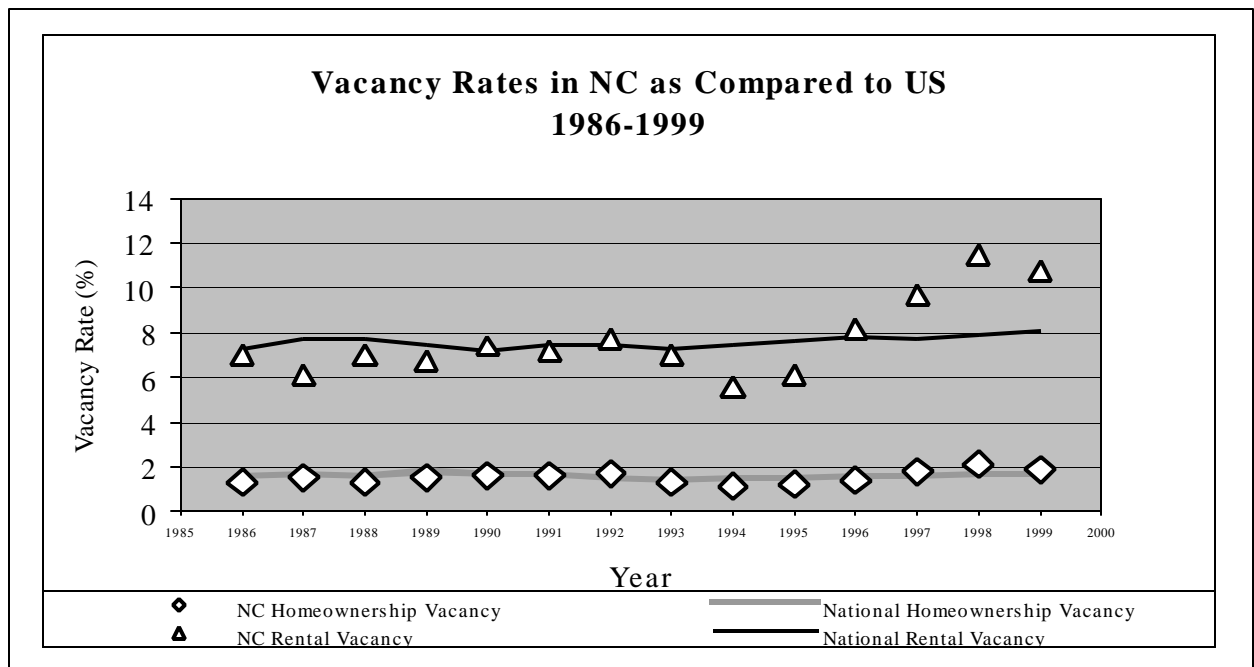


Table 10

Source: U.S. Bureau of the Census, Housing Vacancy Survey, 1986-1999

## Home Ownership Rates

North Carolina has a higher homeownership rate than the nation as a whole (see Table 11). Homeownership rates in North Carolina have been on an upward trend for at least the past 15 years. In 1990, 68 percent of all occupied units were owned-occupied, slightly higher than the national rate of 64%. In 1999, the homeownership rate in North Carolina was 71.1%, while the national rate was 66.8 percent.

In North Carolina's metropolitan areas, the homeownership rate was 68.4% in 1999. Charlotte – Gastonia – Rock Hill MSA had the highest homeownership rate among MSAs (72.5%), while Raleigh – Durham – Chapel Hill had the lowest homeownership rate (65.1%).

Substantial differences exist in the home ownership rates among racial and ethnic groups in the State. In 1990, the statewide home ownership rate for white households was 72.9 percent, 66.3 percent for Native Americans, 49.6 percent among African American households, 48.1 percent for Asians and 41.7 percent for Hispanic households.

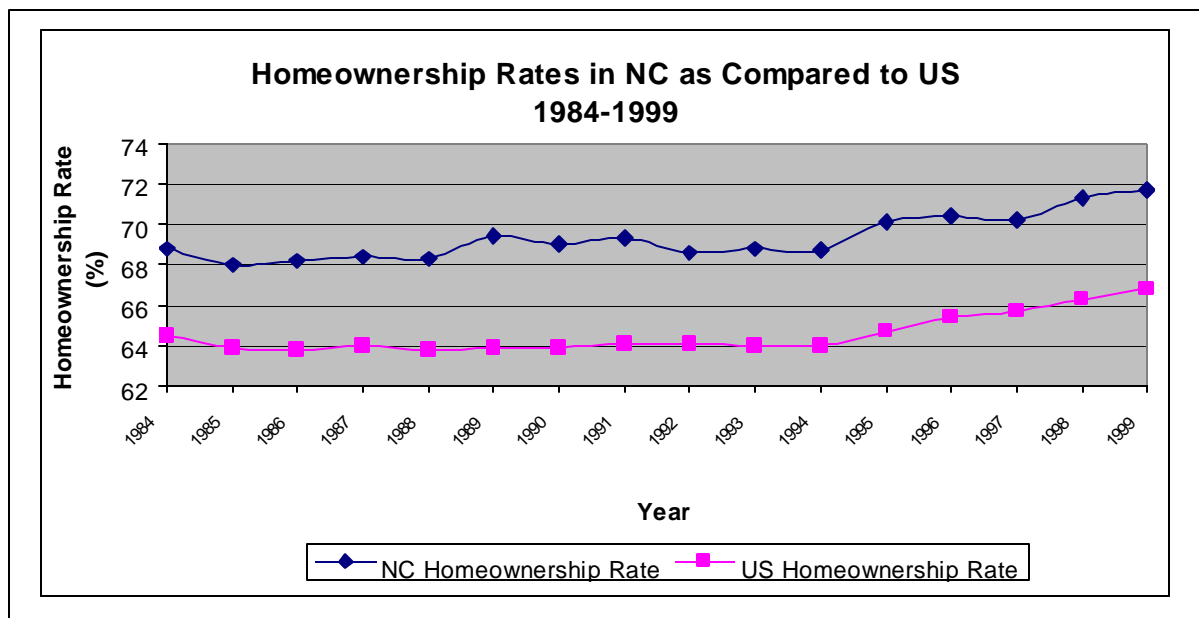


Table 11

Source: U.S. Census Bureau, Housing Vacancy Survey

<b><u>Average Home Prices in Selected Areas</u></b>				
<b>1999</b>				
<b>REALTORS® Multiple Listing Statistics (MLS)</b>	<b>Units Sold in 1999</b>	<b>1999 Average Cost</b>	<b>Area Median Family Income</b>	<b>Price: Income</b>
Asheville	2,563	\$157,095	\$43,900	3.58
Carteret	1,882	\$124,481	\$43,400	2.87
Catawba Valley	2,017	\$119,291	\$44,500	2.68
Carolina (Charlotte)	21,884	\$168,936	\$54,500	3.10
Fayetteville *	1,967	\$98,743	\$39,200	2.25
Goldsboro	592	\$104,746	\$40,500	2.59
Greenville	1,515	\$109,562	\$43,300	2.53
Haywood	579	\$122,595	\$36,300	3.38
Hendersonville	1,423	\$150,388	\$46,100	3.26
Outer Banks	1,554	\$213,373	\$46,500	4.59
Rocky Mount	908	\$114,167	\$42,200	2.71
Pinehurst	1,017	\$173,783	\$49,000	3.55
Triad**	8,447	\$145,555	\$49,300	2.95
Triangle	18,108	\$181,124	\$59,500	3.04
Wilmington	3,711	\$165,847	\$44,700	3.71
Wilson	717	\$106,538	\$41,800	2.55
<b>Totals</b>	<b>68,884</b>	<b>\$141,014</b>		

Table 12

Source: NC Association of REALTORS® data

\*Statistics were unavailable for the month of October 1999

\*\* Statistics were unavailable for the months of January, February, and March, 1999

\*\*\* Since no estimated median family income was available for these regions, the state non-metropolitan median family income average was used for Carteret, Haywood, and Wilson and the state median family income was used for Hendersonville, the Outer Banks, and Pinehurst

### Median Housing Costs

In 1990, the median contract rent for the State was \$284. In 2000 the Fair Market Rent for a two-bedroom unit in North Carolina was \$528 per month. Since Fair Market Rents are below the median rent, this represents a substantial increase in the cost of housing during the 1990s. In non-metro North Carolina, the Fair Market Rent was \$436 for a two-bedroom apartment. In metro areas, the lowest fair market rent was \$438 per month (Goldsboro and Rocky Mount) and the highest was \$755 per

month (Raleigh-Durham-Chapel Hill).

In 1990, the median house value in the State was \$65,800. According to data available from the North Carolina Association of REALTORS®, Inc., the average cost of a home in selected housing markets in the state in 1999 was \$141,014. The area with the highest average home cost was the Outer Banks (\$213,373) and the area with the lowest was Fayetteville (\$98,743). The data are based on 68,884 sales in 1999 in sixteen different communities.

### Housing Affordability

Affordable units are defined as "units for which a family would pay no more than 30 percent of their income for rent and no more than 2.5 times their annual income to purchase. Overall, North Carolina is the 20<sup>th</sup> most affordable state in the U.S.

Year built	Number of renter households by household income category					
	0-30%	31-50%	51-80%	Total	% w/ LBP	Number w/ LBP
Pre 1940	29,288	33,101	23,826	62,389	90%	56,150
1940-59	44,920	60,237	55,310	105,157	80%	84,126
1960-79	65,970	103,265	135,367	169,235	62%	104,926
1980-90	30,279	49,221	122,465	201,965	-----	-----
Total renter households estimated to live in housing with LBP present =						245,201

Rental housing is increasingly becoming unaffordable for many North Carolina renters. Between 1999 and 2000, both Raleigh/Durham/Chapel hill and Charlotte/Gastonia/Rock Hill had among the top five increases in housing wage among the nation's MSAs (13.6% and 16.9% respectively). In 2000, 36% of renters in the state could not afford the Fair Market Rent (FMR) for a two-bedroom unit. A worker earning the minimum wage (\$5.15 per hour) has to work 79 hours per week to afford a two-bedroom unit at the FMR. The affordability gap is even greater for households receiving Social Security Income (SSI) or Temporary Assistance to Needy Families (TANF) assistance with no other earnings. SSI recipients can afford only \$145 per month for rent and a three-person TANF household could afford rent of only \$82 per month.

FMRs for a two-bedroom unit in the State's major metropolitan areas ranged from \$438 in Rocky Mount and Goldsboro to \$755 in Raleigh-Durham-Chapel Hill. Between 32% and 47% of the renters in North Carolina's metropolitan areas are unable to afford the fair market rent in their community.



Year Built	Number of owner households by household income category					
	0-30%	31-50%	51-80%	Total	% w/ LBP	Number w/ LBP
Pre 1940	23,985	33,590	47,542	105,117	90%	94,605
1940-59	38,504	70,693	136,747	245,944	80%	196,755
1960-79	106,938	76,587	216,327	399,852	62%	247,908
1980-90	86,433	47,520	97,566	231,519	-----	-----
Total owner households estimated to live in housing with LBP present =						539,269

Table 14

The cost of homeownership is also increasing in North Carolina. Based on the data available from the North Carolina Association of REALTORS®, Inc., the average cost of a home in sixteen different housing markets increased from \$125,565 in 1997 to \$141,014 (a 12.3% increase). Housing price-to-income ratios ranged from 2.52 in Fayetteville and 2.53 in Greenville to 3.58 in Asheville and 3.71 in Wilmington. The average cost for all market areas (\$141,014) was 3.03 times the estimated median family income for North Carolina in 1999.

## Lead-Based Paint Hazards

<b>LEAD POISONING: 1 AND 2 YEAR OLDS 1998-1999</b>	<b>NUMBER OF CHILDREN SCREENED FOR LEAD POISONING</b>	<b>PERCENT OF CHILDREN WITH BLOOD LEAD LEVEL GREATER THAN OR EQUAL TO 10 mg/dL</b>
Total	<b>120,011</b>	<b>2.9</b>
RACE AND ETHNICITY		
White	57,670	1.9
African American	37,393	4.1
Other Minorities	6,472	2.6
Hispanic	6,792	4.2
GENDER		
Male	60,844	3.1
Female	58,020	2.7
INCOME		
Medicaid	69,581	3.6
Non-Medicaid	50,430	1.8
CLINIC – ACCESS TO SCREENING SERVICES		
Public Health Clinic	36,618	3.9
Private Physician	83,393	2.4
GEOGRAPHIC LOCATION*		
URBAN/METROPOLITAN	38,118	2.4
RURAL	81,893	3.1
EASTERN NORTH CAROLINA	46,271	3.5
PIEDMONT	60,051	2.5
WESTERN NORTH CAROLINA	13,682	2.0
CALENDAR YEAR		
<b>1998</b>	53,384	3.5
<b>1999</b>	66,627	2.3

Table 15

Source: Division of Environmental Health, NC Department of Environment and Environmental Health

Though lead-based paint was used in homes until 1978, higher concentrations are found in homes built prior to 1950, thus pre-1950 housing is often used as an indicator of housing containing lead-based paint. Rental houses are more likely to be deteriorated than owner-occupied homes so tenure of homes is important. Houses of lower income people are also more likely to be of poorer quality and in worse condition. Minority children (especially Hispanic and African American children) tend to have higher rates of lead poisoning as well, mainly due to their generally lower economic status.

Given these conditions, there is a greater lead poisoning risk for those in eastern North Carolina, due partly to the age of housing units, and due largely to the poorer economic conditions. While lead poisoning has been viewed as an inner city problem, analysis

suggests that there are significant problems in the State's rural areas. The data provided in Table 15 supports these assumptions.

There are approximately 245,193 housing units occupied by very low and other low-income renters that are estimated to contain lead-based paint. Approximately 539,268 owner-occupied households are estimated to contain lead-based paint (LBP). These estimations are based on age of housing unit multiplied by the percentage indicators provided by the National Center for Lead Safe Housing for analysis and all are based on a 10 percent margin of error.

In 1998 and 1999, 120,011 one and two year olds in North Carolina were screened for lead poisoning. Overall, 2.9% of the children tested during the two-year period had blood lead levels at or above 10µg/dL. It was encouraging that the percentages of children with elevated blood lead levels decreased from 3.5% in 1998 to 2.3% in 1999.

Although lead exposure has declined dramatically for the entire pediatric population, there remains a significant disparity between African American households and White households with the prevalence of elevated exposure among African Americans more than double that of Whites in North Carolina. Other minority populations including Hispanics and Native Americans are similarly at elevated risk although screening data is more limited for these groups. Likewise, low-income children, those from rural communities, and children from the East suffer disproportionately from lead poisoning primarily as a result of greater exposure to deteriorated lead-based paint in older rental housing. 4.1% of African American children and 4.2% of Hispanic children had elevated blood lead levels compared to only 1.9% for White children. In rural and eastern North Carolina, the incidence of elevated blood lead levels was also higher. Finally, poor children (from families receiving Medicaid) were twice as likely to have blood lead levels at or above 10µg/dL than non-Medicaid children.

### **Public Housing Authorities**

In 1999, HUD allocated \$357,694,414 to 128 NC public housing agencies to provide rental housing assistance and to improve the quality of life for low-income citizens throughout the state of North Carolina. Presently, North Carolina public housing agencies serve nearly 115,000 families through 4 housing assistance programs: Public Housing Program, Section 8 Certificate Program, Section 8 Voucher Program, and Section 8 Moderate Rehabilitation Program. Of these 115,000 families, 28% (or 29,094) are elderly families. Thirty two percent of public housing residents and 34% of Section 8 tenants are wage earners. As a result of the disasters of 1999, over 800 public and assisted housing units were damaged or declared inaccessible in Eastern North Carolina. The 16 public housing agencies affected received an additional \$15 million in emergency funding.

Nearly half of the public housing agencies in North Carolina participate in HUD's Family Self Sufficiency (FSS) Program. The purpose of this program is to promote the development of local strategies to coordinate the use of public housing and Section 8

assistance with public and private resources to enable participating families to achieve economic independence and self-sufficiency. There are currently 4065 FSS families in North Carolina.

Many North Carolina public housing agencies have developed and implemented innovative programs that empower their public housing residents to achieve self-sufficiency. Examples of notable programs include: a Home Ownership Institute (Charlotte), an in-home Aide Training Program (Asheville), the “Wadsworth Court” development that provided home ownership opportunities by offering single family homes to public housing residents at cost (High Point), a Janitorial Entrepreneur Training Program (Rocky Mount), a downtown newsstand (Sanford), and a four week “On My Own” program for youth from 10-16 (Wilmington).

## **Homelessness Statistics**

### **Nature and Extent of Homelessness in North Carolina**

James Wright and Joel Devine wrote, in a series of articles on counting homeless persons, “homeless persons on the street will always be severely undercounted ... because homelessness is more a phenomenon of housing instability than of houselessness. Many people are episodically homeless – moving in and out of homelessness, occasionally staying with friends or relatives or at a cheap hotel. Thus, on any given night many “homeless” individuals will not be in either shelters or on the streets.” This statement is particularly germane to a serious discussion of the needs of North Carolina’s homeless citizens.

According to the Stewart B. McKinney Act, a homeless person is an individual who “lacks a fixed, regular, and adequate nighttime residence; and an individual that has a primary nighttime residence that is (a) a supervised publicly or privately operated shelter designed to provide temporary living accommodations ... (b) an institution that provides a temporary residence for individuals intended to be institutionalized; or (d) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodations for human beings.” The McKinney Act definition is usually interpreted to include only those persons who are literally homeless – that is, on the streets or in shelters – and persons who face imminent eviction (within a week) from a private dwelling or institution and who have no subsequent residence or resources to obtain housing. Homeless service providers in North Carolina find that this definition works well in large, urban areas but, at times, proves to be problematic in rural areas where homeless persons are more likely to live with relatives in overcrowded or substandard housing.

Lack of reliable data on the state’s homeless population has hampered efforts by state and local governments to design effective housing and service programs for the population. Although championed by the state’s Interagency Council on Coordinating Homeless Programs (ICCHP), a comprehensive statewide count of homeless persons in North Carolina has never been conducted. With an inadequate and discredited count of the state’s homeless by the 1990 U.S. Census, the only credible source of information on the homeless comes from performance reports submitted by nonprofit organizations and units of local government that receive Emergency Shelter Grants (ESG) Program funding each year, from local consolidated plans and from state agencies that serve various homeless subpopulations.

From July 1, 1998 – June 30, 1999, 121 ESG-funded facilities for the homeless in 54 counties served over 43,000 persons. Facilities funded included 24-hour emergency shelters, day shelters, night shelters, domestic violence shelters, transitional housing facilities, youth facilities and interfaith hospitality networks. Grantees are asked to submit unduplicated totals on their performance reports. Though multiple grantees in one county may cause the number for that particular county to be duplicated in some instances, the ICCHP and the Office of Economic Opportunity (OEO) of the NC Department of Health and Human Services considers 43,000 to be a more realistic and reliable figure than any

other estimation of the state's homeless population offered previously. Of the over 43,000 homeless persons served in North Carolina by the 121 ESG-funded facilities in SFY 98-99, approximately 37% were adult single males age 18 and over, 17% were adult single females age 18 and over and 29% were children below 18 years of age. African-Americans comprised 57% (24,611) of those served and Whites comprised 35% (15,089) of total persons served. Almost five percent of persons served (1,943) were Hispanic. Native Americans served totaled 664 (1.5%) and Asians served totaled 282 or less than one percent. Other races comprised approximately 1% of those persons served.

### **Homeless Families with Children**

Homelessness is a devastating experience for families. It disrupts virtually every aspect of family life, damaging the physical and emotional health of family members, interfering with children's education and development, and frequently resulting in the separation of family members. Nationally, one of the fastest growing segments of the homeless population is families with children. Requests for emergency shelter by families with children in 30 U.S. cities, increased by an average of 15% between 1997-1998. Moreover, 88% of the cities surveyed expected an increase in the number of requests for emergency shelter by families with children in 1999 (U.S. Conference of Mayors, 1998).

The national trends are supported by the data submitted by the state's 121 ESGP grantees. From July 1, 1998 – June 30, 1999 121 ESG-funded facilities reported serving 6,289 families. These families included 7,158 adults ages 18 and over and 11,008 children below the age of 18. Of the 7,158 adults in these families, 88% (6,607) were females between the ages of 18 and 55. Adult males age 18 and over in families numbered 551 or 8% of total adults in families served. A total of 11,008 children in families were served by the 121 ESG-funded facilities. Seventy-four percent of these children were between the ages of 1 and 12 years. Over half of the children in ESGP-funded shelters are under the age of five. Children birth to 1 year of age and children ages 13 – 17 accounted for 14% and 12% respectively of those children in families served. Providers cite poverty, lack of affordable housing and domestic violence as the principal causes of family homelessness in North Carolina.

Homelessness severely impacts the health and well being of all family members. Compared with housed poor children, homeless children experience worse health; more developmental delays; more anxiety, depression and behavioral problems; and lower educational achievement (Shinn and Weitzman, 1996). Deep poverty and housing instability are especially harmful during the earliest years of childhood, below the age of five. In North Carolina, over half of the children in ESGP-funded shelters are under the age of five.

School-age homeless children face barriers to enrolling and attending school, including transportation problems, residency requirements, inability to obtain previous school records, and lack of clothing and school supplies. In a 1997 report to Congress, state Educational Agencies (SEAs) provided estimates of the number and location of homeless children and youth in their states. North Carolina estimated that there were a total of

3,800 homeless children enrolled in public schools in the state – 1,500 in kindergarten through 5<sup>th</sup> grade, 800 in grades 6 - 8, and 1,500 in grades 9-12. It should be noted that North Carolina drew this information from data derived from 50% of the counties that reported. In 1999, however, the state's Education for Homeless Children and Youth (EHCY) Program, a federal program authorized under the McKinney Act and administered by the state's Department of Public Instruction, provided funding to only 17 of the 115 local educational agencies (LEAs) in the state. These 17 LEAs served a total of 1,473 children who were either homeless or at-risk of becoming homeless.

Parents also suffer the ill effects of homelessness and poverty. One study of homeless and low-income housed families found that both groups experienced higher rates of depressive disorders than the overall population, and that one-third of homeless mothers (compared to one-fourth of poor housed mothers) had made at least one suicide attempt (Bassuk et al., 1996). In both groups, over one-third of the sample had a chronic health condition.

Welfare caseloads have dropped sharply since the passage and implementation of welfare reform legislation. Early findings suggest that although more families are moving from welfare to work, many of them are faring poorly due to low wages and inadequate work supports. Only a small fraction of welfare recipients' new jobs pay above-poverty wages; most of the new jobs pay far below the poverty line (Children's Defense Fund and the National Coalition for the Homeless, 1998). As a result of loss of benefits, low wages, and unstable employment, many families leaving welfare struggle to get medical care, food, and housing. Subsidized housing is so limited (in NC and nationally) that fewer than one in four TANF families receive housing assistance.

Numbers alone do not help to identify the scope of the problems of homeless families with children. The data is presented to point out the depth of the problem and the disastrous effect that homelessness can have on families that despite many negative circumstances could, would and should stay together if they had a place to live.

### **Geography of Homelessness**

Homelessness is often assumed to be an urban phenomenon because homeless people are more numerous, more geographically concentrated, and more visible in urban areas. However, many people experience homelessness and housing distress in America's small towns and rural areas. Understanding rural homelessness requires a more flexible definition of homelessness. There are far fewer shelters in rural areas; therefore, people experiencing homelessness are less likely to live on the street or in a shelter, and more likely to live in a car or camper, or with relatives in overcrowded or substandard housing. Restricting definitions of homelessness to include only those who are literally homeless - that is, on the streets or in shelters - does not fit well with the rural reality, and also excludes many rural communities from accessing federal dollars to address homelessness.

National studies comparing urban and rural homeless populations have shown that homeless people in rural areas are more likely to be white, female, married, currently working, homeless for the first time, and homeless for a shorter period of time (U.S. Department of Agriculture, 1996). Other research indicates that families, single mothers, and children make up the largest group of people who are homeless in rural areas (Vissing, 1996). Homelessness among Native Americans and migrant workers is also largely a rural phenomenon. Findings also include higher rates of domestic violence and lower rates of alcohol and substance abuse.

Rural homelessness, like urban homelessness, is the result of poverty and a lack of affordable housing. Homelessness is most pronounced in rural regions that are primarily agricultural; regions whose economies are based on declining extractive industries such as mining, timber, or fishing; and regions experiencing economic growth -- for example, areas with industrial plants that attract more workers than jobs available, and areas near urban centers that attract new businesses and higher income residents, thereby driving up taxes and living expenses (Aron and Fitchen, 1996).

A lack of decent affordable housing underlies both rural and urban homelessness. While housing costs are lower in rural areas, so are rural incomes, leading to a similarly high rent burdens. Problems of housing quality also contribute to rural homelessness: in rural areas, 23% of poor homeowners households and 27% of poor renter households live in inadequate housing, compared to 17% and 22% in urban areas (Aron and Fitchen, 1996). Rural residential histories reveal that homelessness is often precipitated by a structural or physical housing problem jeopardizing health or safety; when families relocate to safer housing, the rent is often too much to manage and they experience homelessness again while searching for housing that is both safe and affordable. Other trends affecting rural homelessness include the distance between low-cost housing and employment opportunities; lack of transportation; decline in homeownership; restrictive land-use regulations and housing codes; rising rent burdens; and insecure tenancy resulting from changes in the local real estate market (for example, the displacement of trailer park residents) (Fitchen, 1992).

Homeless service and housing providers in rural areas note that loss of jobs, family break-up, and lack of affordable housing units are a major force in the increase of homelessness or the threat of homelessness in our state. Additional factors include fires and natural disasters (such as the recent flooding by Hurricanes Dennis and Floyd), but also can be of a personal nature (such as domestic violence or medical issues).

Particularly in rural areas, local elected officials, service agencies, and church and business leaders often fail to recognize that homelessness exists in their community. Even local government administrators are not aware of the organizations serving homeless people in their communities. The Office of Economic Opportunity conducted a survey of the state's 100 county managers and each county's Department of Social Services to determine their knowledge of homeless people in their community and the programs that serve them. Directors of the county Departments of Social Services were asked how many persons were homeless based on their case files or other records.



County managers were asked to identify emergency shelters and transitional housing programs serving homeless persons. Out of the 100 counties surveyed, 44 DSS offices and 38 county managers responded. Of these, 29 of the DSS respondents and 19 of the responding county managers were from counties with facilities funded by the Office's Emergency Shelter Grants Program. The DSS respondents reported 22 facilities (total, all counties) serving the homeless in their county; the county managers reported 73 such facilities. In fact, the Office of Economic Opportunity's ESGP grantees reported these same counties to have an aggregate total of 116 facilities. Responses from the remaining 45 counties without ESGP grantees yielded similar results: DSS respondents reported 2 facilities in these counties, and county managers reported 5. Most of the respondents indicated that there were no homeless persons in their counties. Most of the DSS respondents also indicated that they did not inquire as to housing status of clients served by their programs.

The results of this survey demonstrate the disconnect between homeless persons and the governments and social service agencies that are to serve them. The results also emphasize that homeless housing and service providers must work harder to engage county leadership and that of the county Department of Social Services in crafting community responses to homelessness.

## **Homeless Subpopulations**

### ***Homeless Persons with Serious Mental Illness***

National studies indicate that about a third of persons who are homeless have a serious mental illness. Emergency Shelter Grantees in North Carolina report that 2,302 individuals self-reported mental illness as the primary cause of their homelessness in 1999. But persons who are homeless and mentally ill often remain outside the service delivery system until untreated mental illness bring them into contact with emergency psychiatric services and/or law enforcement. North Carolina state psychiatric facilities report 853 admissions of homeless persons in 1999. An estimated 10,400 persons in NC state prisons or local jails are identified as mentally ill and among these individuals an estimated 20% in state prisons and 30% in local jails were homeless upon arrest.

Aggressive outreach to persons who are homeless and mentally ill is needed to bring them into the service delivery system. Mental health workers in seven of North Carolina's most urban counties working under the Federal PATH program (Projects for Assistance in Transition from Homelessness) report outreach and services to 3,404 unduplicated homeless persons with serious mental illness in 1999. Once engaged, the homeless mentally ill need a full array of psychiatric and social support services. Decent, safe and affordable housing is a necessary prerequisite for the success of these interventions. Homeless persons with mental illness need both structured transitional housing to establish stability and the skills of independent living, and permanent affordable rentals with support services to maintain themselves in the community.

A 1999 consumer survey conducted by the Division indicated that 4,650 severely mentally ill individuals are in immediate need of stable affordable housing. Since this survey was a sampling of current adult consumers of public mental health services, the numbers do not reflect those homeless mentally ill individuals not engaged in the public mental health system.

### ***Homeless Persons with Substance Use Disorders***

Homelessness is not a static condition, nor are all homeless persons similar in age, race, gender or other special characteristics. While alcohol and substance abuse have propelled large numbers of persons into homelessness, still others have developed patterns of substance abuse as a way of coping with street and shelter. There is considerable field research that underscores a common sense, expected outcome – the longer a person remains homeless, the greater the incidence of substance abuse, psychiatric disorders, and a wide range of life-threatening episodes.

While there is no hard data to cite, untreated substance abuse may well be the primary contributing cause of homelessness in the nation, with national estimates indicating that nearly half of homeless persons have a substance use disorder. Emergency Shelter Grantees in North Carolina report that 8,256 individuals self-reported either alcohol or drug abuse as the primary cause of their homelessness in 1999. A total of 2,527 persons receiving substance abuse treatment from local area programs in 1999 were homeless, either living on the streets or in shelters. This is a 150% increase over the past five years.

Homeless persons with substance abuse problems need access to a full range of comprehensive services: substance abuse treatment, transitional housing and halfway houses for both individuals and families so that children can remain with their parents, and affordable permanent housing with appropriate after care to assist individuals in re-establishing themselves.

### ***Homeless Persons with Dual Diagnosis (Mentally Ill and Substance Use Disorders)***

There is no hard data on the number of homeless individuals that have both a mental illness and a substance abuse problem. A Report of the Federal Task Force on Homelessness and Severe Mental illness indicates that approximately 50% of the homeless mentally ill are also alcohol and/or drug users/abusers. Persons with dual disorders are both difficult to outreach and serve because their needs are so complex. They are often unable to conform to the rules of generic homeless shelters or mainstream treatment programs. Neither mental health or substance abuse treatment can be undertaken in isolation and for this reason specialized services aimed at this population are required.

A segment of this population would be well served by a Safe Haven model that provided access to shelter and services without high demand or initial expectations of total sobriety. There is also a need for residential treatment programs, as well as transitional

housing, halfway houses and permanent affordable rentals with ongoing supportive services.

### ***Homeless Persons with HIV/AIDS***

Lack of affordable housing is a critical problem facing an ever-increasing number of people living with Acquired Immunodeficiency Syndrome (AIDS) or other illnesses caused by the Human Immunodeficiency Virus (HIV). Persons with HIV/AIDS may lose their jobs because of discrimination or because of the debilitating effects of the disease and subsequent hospitalizations. They may also find their incomes drained by the high cost of health care, especially medications.

Sadly, many individuals with HIV/AIDS may die before they are able to receive housing assistance. Efforts to build HIV/AIDS housing often encounter chronic funding shortfalls, bureaucratic indifference, and the stigma and fear of AIDS. Local opposition by neighborhood or community groups can effectively prevent the development and/or successful operation of supportive housing appropriate for persons with HIV/AIDS. A National Commission on AIDS report estimates that one-third to one-half of all people with HIV/AIDS are either homeless, or at-risk of becoming homeless.

Some studies indicate that the prevalence of HIV among homeless persons can be as high as 20% with some subpopulations having much higher incidences of the disease. Further, it has been estimated that 36% of people with AIDS have been homeless since learning that they had the disease and that up to 50% of persons living with HIV/AIDS are expected to need housing assistance of some kind during their lifetimes (Robbins and Nelson, 1996).

The AIDS Care Branch of the N.C. Department of Health and Human Services has estimated that at least 6,600 of the estimated 20,000 persons living with HIV in the state are homeless or at risk of homelessness. In 1999, however, only 126 housing units, including beds in-group homes, were designated for persons living with HIV/AIDS in the state.

A total of 567 persons served by 121 ESG-funded facilities in SFY 98-99 reported the cause of their homelessness to be due to their HIV/AIDS infection. Many of these facilities are not staffed or equipped to assist persons with HIV/AIDS and find the lack of available housing for this subpopulation difficult if not impossible to locate. Many HIV/AIDS infected individuals are referred to shelters by hospitals as a last resort and often reside at the shelter until they return to the hospital in the end stages of the disease.

Homeless persons with HIV/AIDS need safe, affordable housing and supportive, appropriate health care. Eviction/foreclosure prevention funds should be available for persons with HIV-related illnesses who are in danger of losing their homes, and housing assistance (including rent subsidies) should be available for those already on the streets. In addition, adequate funding of targeted housing and health programs must be provided and anti-discrimination laws must be enforced.

### ***Homeless Victims of Domestic Violence***

When a woman leaves an abusive relationship, she often has nowhere to go. This is particularly true of women with few financial resources of their own. Lack of affordable rental housing and long waiting lists for public housing provide few viable choices for these women. As a result, many victims of domestic violence are forced to return to the abuser, move in with friends or relatives creating overcrowded living situations or live on the streets. The contribution of domestic violence to homelessness, particularly among families with children, is undeniable.

Twenty-seven percent or over 11,000 of the persons served by 121 ESG grantees in the state from July 1, 1998 – June 30, 1999 reported domestic violence and/or sexual assault as the primary cause of their homelessness. According to the North Carolina Council for Women (CFW), 7,233 adults and 7,263 children were sheltered by the 93 domestic violence programs in North Carolina from July 1, 1998 – June 30, 1999. CFW also reports that 516 adult and 699 child victims of domestic violence were unable to locate shelter through a domestic violence program during the same period.

Although domestic violence shelters provide necessary and immediate shelter for the victims of domestic violence, such shelter is temporary and in such demand that clients are often allowed to stay no more than 30 – 60 days. Women with children who are victims of domestic violence are often, understandably, given priority in admission to domestic violence shelters. However, this results in battered single women being given less priority and, thus, left even more vulnerable to homelessness or to a return to an abusive situation.

In the last five years, domestic violence programs in the state have become increasingly interested and involved in the construction and operation of transitional housing. Such facilities allow victims to stay for longer periods of time and, as a result, have a better opportunity to secure the job training, financial counseling and support they need to break out of the cycle of persistent violence and abuse. There is a strong need for transitional housing for the victims of domestic violence currently and this need is expected to grow over the next five years. Additional needs of domestic violence victims include employment counseling and training, increased follow-up services to shelter residency, day care, mental health counseling and court advocacy.

### ***Homeless and Runaway Youth***

Homeless youth are individuals under the age of eighteen who lack parental, foster, or institutional care. These young people are sometimes referred to as “unaccompanied youth”. The homeless youth population is estimated to be approximately 300,000 young people each year (Institute for Health Policy Studies, 1995). According to the Research Triangle Institute, an estimated 2.8 million youth living in U.S. households reported a runaway experience during the prior year (U.S. Department of Health and Human Services, 1995). According to the U.S. Conference of Mayors, unaccompanied youth account for 3% of the urban homeless population (U.S. Conference of Mayors, 1998).

Causes of homelessness among youth fall into three interrelated categories: family problems, economic problems, and residential instability. Many homeless youth leave home after years of physical and sexual abuse, strained relationships, addiction of a family member, and parental neglect. Disruptive family conditions are the principal reason that young people leave home. In one study, more than half of the youth interviewed during shelter stays reported that their parents either told them to leave or knew they were leaving and did not care (U.S. Department of Health and Human Services, 1997).

Some youth may become homeless when their families suffer financial crises resulting from lack of affordable housing, limited employment opportunities, insufficient wages, no medical insurance, or inadequate welfare benefits. These youth become homeless with their families, but are later separated from them by shelter, transitional housing, or child welfare policies (Shinn and Weitzman, 1996).

Residential instability also contributes to homelessness among youth. A history of foster care was found to be correlated with becoming homeless at an earlier age and remaining homeless for a longer period of time (Roman and Wolfe, 1995). Some youth living in institutional or residential placements become homeless upon discharge – they are too old for foster care but are discharged with no housing or income support (Robertson, 1996). One national study reported that more than one in five youth who arrived at shelters came directly from foster care, and that more than one in four had been in foster care in the previous year (National Association of Social Workers, 1992).

Homeless youth face many challenges on the streets. Few homeless youth are housed in emergency shelters as a result of lack of shelter beds for youth, shelter admission policies, and a preference for greater autonomy (Robertson, 1996). Because of their age, homeless youth have few legal means by which they can earn enough money to meet basic needs. Many homeless adolescents find that exchanging sex for food, clothing and shelter is their only chance of survival on the streets. In turn, homeless youth are at a greater risk of contracting AIDS or HIV-related illnesses.

Homeless adolescents often suffer from severe anxiety and depression, poor health and nutrition, and low self-esteem. In one study, the rates of major depression, conduct disorder, and post-traumatic stress syndrome were found to be 3 times as high among runaway youth as among youth who have not run away (Robertson, 1989).

Furthermore, homeless youth face difficulties in attending school because of legal guardianship requirements, residency requirements, proper records, and lack of transportation. As a result, homeless youth face severe challenges in obtaining an education and supporting themselves emotionally and financially.

The National Runaway Switchboard reported 1,181 calls from North Carolina in 1999. However, demographic data is available only on a regional basis, which includes the states of Alabama, Florida, Georgia, Kentucky, Mississippi, South Carolina, and Tennessee. In the southeast region, 32% of the calls came from male youth, 68% from

females. Thirty-eight percent of the callers had run away before. Twenty-eight percent claimed they had previously run away at least five times. Sixty percent of the runaway youth are known to cross state lines, but 71% of those remain within the Southeast region.

The state has not collected data using a methodology that differentiates between accompanied youth and unaccompanied youth within sheltered and unsheltered categories by racial and ethnic group. However, based on information provided by the 121 homeless facilities receiving state ESGP funding for 98-99, grantees indicated that about 1,110 persons cited Runaway, Child Abuse and Neglect, and juvenile delinquency as the primary cause of their homelessness. Most unaccompanied homeless youth avoid shelters for fear of being returned to the living situations from which they have fled, or in the case of illegal immigrants, of being deported. Moreover, many shelters for homeless families will not serve older unaccompanied youth, particularly males. Most shelters for adults will not house those less than 18 years of age.

Assisting homeless youth requires expansion of emergency, transitional, and permanent housing opportunities such as family host homes, independent living facilities, and scattered-site apartments. Homeless youth benefit from programs that meet immediate needs first, and then help them address other aspects of their lives. Programs, which minimize institutional demands and offer a range of services, have had success in helping homeless youth regain stability (Robertson, 1996). Educational outreach programs, assistance in locating job training and employment, transitional living programs, and health care especially designed for and directed at homeless youth are also needed. In the long term, homeless youth would benefit from many of the same measures that are needed to fight poverty and homelessness in the adult population, including the provision of affordable housing and employment that pays a living wage. In addition to these basic supports, the child welfare system must make every effort to prevent children from ending up on the streets.

### ***Homeless Veterans***

Eight percent of the persons served by the state's ESG grantees during the period of July 1, 1998 – June 30, 1999 were veterans. Of the 3,500 veterans served, 95% were male and 71% were between the ages of 31 and 55. Male veterans comprised 19% of the total adult males served by ESG grantees during this period. Only 5% of veterans served by ESG grantees were female with the majority, again, being between the ages of 31-55. Female veterans comprised only 1% of the total female adults served by ESG grantees.

Despite research showing that nationally homeless veterans are more likely to be white, staff of the Veterans Administration Medical Center in Durham, North Carolina report that the majority of homeless veterans seen in their offices are between the ages of 31 - 55 and are African-American males. Further, they find that white homeless veterans in the state are much more transient than are nonwhite homeless veterans.

Despite the widespread perception that Vietnam-era veterans constitute the majority of homeless veterans, research indicates that the veterans who are at the greatest risk of homelessness are those who served during the late Vietnam and post-Vietnam era (Rosenheck, 1996). These veterans had little exposure to combat, but appear to have increased rates of mental illness and addiction disorders. Faced with a lack of affordable housing, declining job opportunities, poor access to health care and weak family and social support networks, people with these disabilities are more vulnerable to homelessness.

Staff of the Veterans Administration Medical Center in Durham report seeing a slight increase in the number of female veterans over the last two years. Nationally, female homeless veterans are more likely than male homeless veterans to be married and to suffer serious psychiatric illness, but less likely to be employed and to suffer from addiction disorders (Rosenheck, 1996). Veterans Administration staff note that female homeless veterans often exhibit Post Traumatic Stress Disorder due to sexual abuse and assault experienced while serving in the military.

The needs of homeless veterans include affordable housing, essential health care, substance abuse aftercare, mental health counseling, and job assessment, training and placement assistance. The most effective programs for homeless and at-risk veterans are community-based, vet helping vet programs. Programs that seem to work best feature transitional housing that supplies the camaraderie of living in a structured, substance-free environment with fellow veterans.

### ***Incidence of Homelessness Among the Latino Population, Particularly Migrant and Seasonal Farm workers***

The state's Emergency Shelter Grants Program grantees do not maintain data on migrant and seasonal farm workers served in their facilities. However, of the 43,000 persons served by ESG grantees in 1998-99, four percent (or 1,943) were Hispanic.

According to the North Carolina Employment Security Commission (ESC), approximately 92% of the migrant farm workers are Spanish-speaking. Overall, 119,471 farm workers were employed in North Carolina in 1999 including 37,800 migrant workers. Seventy-seven percent of the state's 1999 farm worker population worked in nine counties – Duplin, Harnett, Johnston, Nash, Pitt, Robeson, Sampson, Wayne and Wilson.

Farm worker service providers estimate that 15% to 50% of the farm workers they serve are homeless at least part of each year. Hired farm workers, particularly migrants, face barriers to obtaining housing in local private housing markets. Small, rural communities – like those in which most of the state's farm worker population work – do not have enough rental units to meet the demand. Those units that are available may be unavailable to migrant farm workers because they cannot provide deposits, qualify in credit checks, or make long-term rental commitments.

The need of the farm worker population to find temporary housing has traditionally been addressed by employers setting up labor camps. Yet construction and maintenance of housing is expensive, especially when it will only be occupied during the short harvest season. Government attempts to enforce housing standards have improved living conditions for some farm workers, with employers making needed repairs and conducting regular maintenance. However, increased scrutiny and regulations have caused some employers not to provide housing. In the absence of housing, farm workers are forced to sleep in tents, cars, ditches or open fields.

The needs of homeless farm workers include emergency shelter, short-term or seasonal housing not controlled by employers, utility and security deposit assistance for transitional and permanent housing, rental assistance and transportation to expand housing options. The Latino population of our state generally is non-English speaking. Thus, language training and access to service providers who speak their language is critical if these families are to obtain standard housing and maximize their self-sufficiency.

### ***Single, Able-Bodied Homeless Persons without Children***

Single homeless persons age 18 and over make up the largest subpopulation of the homeless population in the state. Indeed, 54% of the persons served by the state's ESG grantees in 98-99 were single adults age 18 or over. Of the almost 23,074 single adults age 18 or over served during this period, 69% were male and 31% were female. Fifty-six percent of all single adults served were between the ages of 31-55. Contrary to public opinion, homeless service providers report that a majority of the single persons served are employed either in full-time or part-time permanent positions or in temporary or labor pool situations.

This population remains under-served by homeless prevention and recovery programs, income supports, transitional housing programs and even many emergency shelter facilities in the state. Additionally, able-bodied single homeless persons do not qualify for federal preference for Public Housing Authority and Section 8 waiting lists, and do not qualify for current rental assistance programs.

The needs of able-bodied, single homeless persons in the state are fairly direct, temporary in nature and have low cost. Generally, needs for this population include emergency shelter, transitional housing, homeless prevention and recovery funds, shared housing referrals, employment and training assistance, temporary income supports, medical/dental care and transportation. The availability of affordable permanent housing and rental assistance is vital if this subpopulation is to attain independence.

### **Persons Threatened with Homelessness**

Poverty is the single common bond among the homeless. Households living in poverty comprise the communities that homeless individuals and families transition out of and back into. Although an analysis of sub-populations within the homeless community is



critically important for the planning and delivery of appropriate services, it is also important to recognize the sheer numbers of households that are low income and, therefore, vulnerable to homelessness.

Low-income households live marginally, paying a large portion of their meager incomes for housing expenses. Many of these households have very low incomes, often relying on Social Security or other income support programs. In our state, over 50 percent of renters and 30 percent of owners earning less than 30 percent of the area median income pay too much of their income for housing. Housing is generally considered to be affordable when a household pays no more than 30% of its gross monthly income for rent or mortgage and utilities. Households paying more than this percentage of income for housing are considered to be cost burdened; households with severe cost burdens pay more than 50% of their gross monthly income for housing. Whenever these households experience an unexpected financial burden (such as illness, accidents, or job loss), they are at risk of homelessness. According to the 1990 Census, North Carolina had a total of 246,547 low-income renter and 214,607 owner households paying more than 30 percent of their income for housing. This represents half a million households, or nearly 20% of all households in North Carolina. Additionally, those low-income households, which may not have excessive cost burdens, tend to live in substandard and/or overcrowded housing.

Individuals released from various institutional facilities without adequate discharge planning constitute another substantial at-risk population. In 1990, 82,878 persons were living in correctional facilities, mental hospitals, juvenile institutions, and in other institutional settings. The majority of those institutionalized (41,594) were under 65 years of age. The state does not require adequate housing arrangements as a precondition of release in most cases. The special needs of this population include job-training, access to emergency assistance for homeless prevention, adequate discharge planning, and an adequate supply of decent, affordable housing.

### **Existing Facilities and Services**

As stated previously, in the program year 1998-99, the NC Department of Health and Human Services, Office of Economic Opportunity funded 121 grantees throughout the state. These ESGP grantees provide a variety of housing options for homeless persons: There are thirty-five 24-hour shelters, with a total of 1,658 beds/units; Five were day centers only; Forty-seven facilities provided shelter for survivors of domestic violence, with a total of 873 beds; Eleven facilities are night shelters only, with a total of 546 beds; Twenty-nine transitional facilities housed 703 persons in that year; Five youth shelters provided 54 beds for homeless/runaway youth; and One Interfaith Hospitality Network grantee provides 36 beds (through cooperating churches) for families who need it the most. (This is the only Interfaith Hospitality Network currently receiving state funds).

Data from the state's various entitlement communities' Consolidated Plans was taken from 23 entitlement communities. A review of the mandatory homeless population tables listed in the Consolidated Plans of 20 North Carolina state entitlement communities is

summarized on the following pages. Two communities (Greenville and High Point) did not have the mandatory HUD Table IA in their Consolidated Planning submission.

**Table 16 - Homeless and Special Needs Populations (HUD Table 1A)**

Entitlement Community' s Name	Housing Beds/Units				Subpopulations				
	Estimated Need	Emerg ency Shelter	Transitional	Permanent	Chronic Substance Abusers	Seriously Mentally Ill	Dually-Diagnosed	Veterans	AIDS/H
<b>Asheville</b>									
<i>Individuals</i>	610	198	186	76	213	140	67	80	40
<i>Persons in Families with Children</i>	275	30	132	6	45	30	20	15	20
<b>Burlington</b>									
<i>Individuals</i>	495	72	40	146	68	32	13	6	17
<i>Persons in Families with Children</i>	103	21	11	0	5	5	0	0	0
<b>Chapel Hill</b>									
<i>Individuals</i>	2122	32	10	1472	1165	466	1165	NA	NA
<i>Persons in Families with Children</i>	1082	16	15	31	NA	NA	NA	NA	NA
<b>Charlotte</b>									
<i>Individuals</i>	2681	635	380	179	1609	469	1029	515	402
<i>Persons in Families w/Children</i>	1999	193	528	225	353	103	225	113	88
<b>Concord/Cabarrus/Iredell/Row an Consortium</b>									
<i>Individuals</i>	900	161	0	250	75	20	15	130	100
<i>Persons in Families with Children</i>	2900	15	125	1750	50	20	15	250	160
<b>Durham</b>									
<i>Individuals</i>	533	189	120	92	480	176	133	176	80
<i>Persons in Families with Children</i>	176	80	69	17	53	19	15	19	12
<b>Fayetteville</b>									
<i>Individuals</i>	684	114	75	20	860	160	145	260	715
<i>Persons in Families with Children</i>	1002	31	42	144	660	150	60	204	350
<b>Gastonia, Gaston &amp; Cleveland Counties</b>									
<i>Individuals</i>	551	89	52	322	110	20	3	14	11
<i>Persons in Families with Children</i>	176	43	44	0	21	4	3	2	2
<b>Goldsboro</b>									
<i>Individuals</i>	<b>309</b>	<b>53</b>	<b>48</b>	<b>9</b>	<b>0 (3)</b>	<b>1 (3)</b>	<b>2 (3)</b>	<b>1 (3)</b>	<b>14 (3)</b>
<i>Persons in Families with Children</i>	<b>492</b>	<b>56</b>	<b>15</b>	<b>60</b>	<b>7 (3)</b>	<b>1 (3)</b>	<b>2 (3)</b>	<b>1 (3)</b>	<b>14 (3)</b>
<b>Greenville</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>
<b>Greensboro</b>									
<i>Individuals</i>	2125	308	514	301	542	482	247	185	239
<i>Persons in Families with Children</i>	2060	148	141	55	471	535	227	100	287
<b>Hickory</b>									
<i>Individuals</i>	88	48	21	0	239 (3)	0	0	0	2

<i>Persons in Families with Children</i>	153	10	44	408	0	4	0	0	0
<b>High Point</b>	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
<b>Jacksonville</b>									
<i>Individuals</i>	263	62	0	0	11	5	3	16	3
<i>Families with Children</i>	59	12	0	0	11	5	3	8	3
<b>Kannapolis</b>									
<i>Individuals</i>	248	181	12	12	25	63	40	8	30
<i>Persons in Families with Children</i>	25	5	0	5	5	7	4	4	12

Entitlement Community' s Name	Housing Beds/Units				Subpopulati			
	Estimated Need	Emergency Shelter	Transitional	Permanent	Chronic Substance Abusers	Seriously Mentally Ill	Dually-Diagnosed	Veterans
<b>Alexander, Burke, Caldwell, &amp; Catawba Counties</b>								
<i>Individuals</i>	74	4	50	20	262	19	0	0
<i>Persons in Families with Children</i>	42	4	24	14	0	4	0	0
<b>Morganton</b>								
<i>Individuals</i>	30	8	8	0	7	3	5	0
<i>Persons in Families with Children</i>	34	10	0	0	0	0	0	0
<b>Raleigh/Wake County</b>								
<i>Individuals</i>	1372	367	220	134	688	343	206	274
<i>Persons in Families with Children</i>	809	281	107	46	405	202	121	356
<b>Rocky Mount/Down East Consort</b>								
<i>Individuals</i>	556	NA	NA	NA	1153 (1), (3)	54 (1)	96 (1)	NA
<i>Persons in Families with Children</i>	1010	NA	NA	NA	(1)	(1)	(1)	(1)
<b>Salisbury</b>								
<i>Individuals</i>	170	40	4	50	125 (3)	35 (3)	10 (3)	300 (3)
<i>Persons in Families with Children</i>	100	23	10	0	75	25	10	250 (3)
<b>Wilmington</b>								
<i>Individuals</i>	1519	212	131	85	600	330	165	395
<i>Persons in Families with Children</i>	576	80	62	166	150	160	110	100
<b>Winston-Salem/Forsyth County</b>								
<i>Individuals</i>	821	258	283	36	411	295	82	100
<i>Persons in Families with Children</i>	182	60	64	6	91	27	8	3
<b>Cumberland County</b>								
<i>Individuals</i>	684	114	75	20	860	160	145	250
<i>Persons in Families with Children</i>	1002	31	42	144	660	150	60	204

Table 16

- (1) Data provided in City of Rocky Mount' s Table IA was not in the required format.
- (2) Cities of Greenville and High Point did not provide the required Table IA as part of their Consolidated Plan
- (3) This number derived from actual data from the entitlement community
- (4) Developmental Disability
- (5) Pregnant Unwed Teen

## **Special Needs Statistics**

### **Persons with HIV/AIDS**

While there are no official statistics on the exact number of people in North Carolina with HIV/AIDS, the State does have the ability to approximate. According to the 2001 HIV Prevention & Community Planning Epidemiologic Profile for the State of North Carolina, the HIV/STD and Prevention and Care Branch received a total of 19,056 NC HIV disease reports from the early 1980's through December 31, 1999. Since that time it also has been reported that 6,276 persons have deceased as a result of HIV/AIDS, meaning that at least 12,780 persons are currently living with HIV. The CDC, however, estimates that those reporting versus actual cases only amounts to two-thirds of the people living with HIV/AIDS within the State. Applying this estimate to our current surveillance total of 12,780, it is projected that the total number of persons living in North Carolina with HIV/AIDS would increase to 16,977. North Carolina reported 1.68% of the total AIDS cases in the U.S., according to 1998 and 1999 CDC HIV/STD AIDS Surveillance Report.

The good news is that the number of new HIV disease reports per year has been relatively stable since 1994. Approximately one thousand new HIV cases have been reported each year. On the other hand, considering the 1999 rates of HIV among different racial/ethnic groups, it is clear that HIV disproportionately affects minority groups, especially African Americans, whose the rate of the disease (65.1/100,000) is almost 10 times that of whites (6.8/100,000). The case rate for Hispanics and American Indians is almost 3 times that of whites. Geographically, the distribution of HIV is uneven across the state.

As of December 31, 1999, 9,654 people with AIDS had reported that the state of North Carolina was their residence at the time of diagnosis, indicating that a number of people have moved to the state after their diagnosis. As a result, health providers are scrambling to provide enough housing and services for this influx of HIV/AIDS patients. Persons with HIV/AIDS often encounter extreme circumstances as their capacity to work declines and their health care expenses increases. Securing affordable housing for low-income persons with HIV/AIDS is of major significance to the state. There is a desperate need for adequate housing that provides not only safety and comfort, but also a base in which to receive supportive services, care and support. A variety of housing examples are needed to appropriately meet the needs of persons with HIV/AIDS. A comparison of the number of people living with the disease and the available number of housing units designated for persons with HIV/AIDS represents the magnitude of the dilemma.

There is no hard data on the total number of HIV/AIDS persons statewide residing in facilities designated specifically for persons with HIV/AIDS. Despite the need, the AIDS Care Unit has not established the total number of units/beds statewide, as well as the total number of rental certificates specifically designated for persons living with HIV/AIDS. It is estimated that only 126 housing units, including beds in group-homes, are available for persons living with HIV/AIDS in North Carolina.

## **Persons with Severe and Persistent Mental Illnesses**

According to the Duke Epidemiological Catchment Area Study (1984) approximately 1.76% of the population had a severe and persistent mental illness. When this percentage is applied to 1998 population estimates from the Office of State Planning, 132,862 North Carolinians are estimated to have a severe and persistent mental illness. Based upon information from the National Institute of Mental Health an estimated 10 percent of these persons, or 13,286 individuals with severe and persistent mental illness in North Carolina, are in need of stable, affordable housing. The results of Adult Mental Health Waiting List Survey in April 1999 further refine these estimates. The survey collected data for only the limited subset of the 18,600 current adult consumers of public mental health services who have the most severe mental illnesses. The results indicated that 25% of these, or 4,650 severely mentally ill individuals, are in immediate need of stable affordable housing. This number does not reflect the housing needs of those who are not involved in public mental health system.

In North Carolina there are approximately 57,000 adult recipients of federal Supplemental Social Security Income who have a mental illness or mental retardation diagnosis. SSI income, just over \$500 a month, is approximately 23% of median income in North Carolina. Unable to pay "market" rates, these individuals and families need subsidized housing. According to the NC Division of Social Services, there are approximately 9,237 non-elderly persons with disabilities drawing North Carolina State-County Special Assistance, only available to adult care home residents. This would include adults with mental illness, and as the population ages, an increasing number of persons with developmental disabilities. To date, there has been no detailed assessment of how many of these Adult Care Home residents might be able to live more independently given appropriate support services. Anecdotal evidence indicates strongly that many could and would like to, if given affordable housing options.

Outcome studies on the benefits of supported housing demonstrate that both public and personal costs are reduced when stable, affordable housing is available in conjunction with the mental health service delivery system. When clients are afforded residential stability, active participation in treatment increases. Hospitalizations and costly emergency services are reduced, as are involvements with the criminal justice system. When appropriate educational and vocational programs are provided, participation leads to increased income and greater personal independence.

The Adult Community Mental Health Section at the NC Division of MH/DD/SAS has attempted to address the housing needs of consumers with serious and persistent mental illnesses by nurturing the development of housing resources that are operated in conjunction with the service delivery system. Federal funding targeted specifically toward adults with disabilities, the HUD 811 Program and the HUD Targeted Homeless Assistance Programs provide the majority of the funding used. Approximately 1300 units have been developed in North Carolina for adults with serious and persistent mental illness. While these are important resources, they do not begin to meet the need that exists.

## **Persons with Physical Disabilities**

Based on a National Institute of Health Statistics survey of people unable to carry on major life functions due to disability, 80,000 North Carolinians have physical disabilities. The Independent Living Rehabilitation Program administered by the North Carolina Department of Human Resources Division of Vocational Rehabilitation Services, provides supportive housing services to eligible individuals with severe physical disabilities in 57 of the State's 100 counties. Based on current rates of service, the program serves about 1,000 persons on its active caseload each year with services that may include interior and exterior home modifications, purchase of adaptive equipment, transportation modification, guidance/counseling, therapeutic recreational services, and assistance with attendant care.

## **Persons with Developmental Disabilities**

The North Carolina Division of Mental Health, Developmental Disabilities, and Substance Abuse Services reports that 4,000 developmentally disabled persons (3,000 adults and 1,000 children) are in need of residential services. This does not include those in existing facilities. This does not include those in existing facilities. The state's current housing stock for persons with developmental disabilities total 5740. These figures do not include the 2,500 people living in state mental retardation centers, 4% of who will be integrated into the community each year.

## **Persons with Substance Use Disorders**

The State is not currently able to provide a complete count of the number of persons with alcohol and other drug addictions who are not homeless but do require supportive housing. According to the Area Program Support component of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, approximately 13,000 substance abuse non-homeless clients are served in residential services at area programs annually. Of these, about 75% are male and 25% are female. White clients make up about 50% of those served with 47% Black, 1% Native American and the remaining 2% of other or unknown racial origin. These figures exclude homeless clients. Most programs offer either detoxification/non-hospital housing, residential treatment programs, or halfway houses. Statewide, a total of 840 beds (373 male, 146 female, 321 either) are available for persons with alcohol and/or other drug addictions. Of this total, 360 beds are available in halfway houses (230 male, 104 female, 26 either).

## **Persons who are Elderly/Frail Elderly**

According to the 2000 HUD Report "Housing Our Elders" (based on the data from the 1995 American Housing Survey), North Carolina has one of the 13 fastest growing elderly populations in the United States. The NC Division of Aging's State Aging Services Plan for 1999 – 2003 maintains that "like most of the so-called sunbelt states, North Carolina has attracted young and middle-aged workers who are aging in place here. However, we are particularly likely to attract people who migrate here after retirement."



According to the US Census Population Estimates, in 1999 there were 954,866 people aged 65 and over in North Carolina (12.48% of the general population). In 1990, there were only 800,476 people aged 65 and over (12.07% of the general population). The North Carolina Division of Aging states that projections indicate that the elderly (persons aged 65 and over) population will double by 2025 reaching more than 2 million people. By 2020, the elderly population is estimated to make up 21.4% of the general population.

Of the 954,866 North Carolinians aged 65 and over in 1999, 104,845 (or 10.98%) were aged 85 and over. This number has gone up by 52.46 % from 1990, when there were only 68,768 North Carolinians aged 85 and over. This is the fastest growing age group in North Carolina. This trend means that increasingly more funding and attention will have to be devoted to the North Carolina's elderly population, as our current services and housing stock become inadequate to serve the growing demand.

The highest concentration (greater than 16% of the general population) of elderly is throughout most of the West and in several Eastern counties along the coast (Chowan, Perquimans, Tyrell, Hyde, Pamlico, and Brunswick). Brunswick County also has the fastest growing population of elderly aged 82 and over.

From 1993 to 1995 the poverty rate for older adults in North Carolina was 16%, making it the 7<sup>th</sup> poorest state for elderly. In 1997, about 29% of non-institutionalized older adults in the state had incomes below 150% of the poverty level. In 2000, of the 402,572 households with incomes 50% and under of median family income, 142,462 (35% households) were elderly. By tenure, 67.84% of elderly in this income bracket were homeowners and 32.16% were renters.

## **Economy**

### **Introduction**

There is no doubt that of the state's economy is growing. It ranks near the top of the nation in new job creation and industrial investment. The Research Triangle is rated one of the best places in the nation to do business and is most favorable to entrepreneurs. The state has a dispersed network of small cities, a healthy overall business climate, a strong transportation system, a renowned university and community college system, a large and diversifying manufacturing base, university and other advanced technology resources, and a high quality of life. North Carolina is a growing, prosperous state well positioned to take advantage of opportunities for a better future for its citizens. The current growth, however, is not evenly benefiting all citizens. Even in regions that appear to be thriving, disparities are evident, while other areas are experiencing severe distress.

The state ranks 33rd in the nation in annual average pay, 29th in percentage of workers with health coverage, and 37th in percentage of persons living in poverty. The weaknesses especially affect areas outside the major urban growth centers. In the 1995 report of the Corporation for Enterprise Development, North Carolina ranked 41st among the states in "rural-urban disparity" and 50th among the states in the difference in short-term employment growth between metro and non-metro areas. In addition to the urban-rural differences, "A heritage of poverty and racial segregation has left minority populations, in particular, less prepared to take advantage of the emerging economy. By most measures of social and economic well-being, whether poverty rates or unemployment rates are measures of wealth, minorities fare less well than the white population in North Carolina. While the differences are not as striking, women have also lagged behind in measures of participation in the economic growth that has characterized the last decade." (North Carolina Comprehensive Strategic Economic Development Plan) In order to determine why North Carolina is in the position it is in today, we must look at its economic past and its prospects for the future.

### **Historical Perspective**

Fifty years ago, North Carolina was seen as a largely rural state in the south, highly dependent upon agriculture. State leaders, recognizing the state's economic needs, embarked upon a period of rapid growth and development. Major investments were made to address four critical needs: 1) roads and other infrastructure, 2) ?an advanced system of technical colleges for worker training, 3)? ? a renowned university system, and 4)? a first-class industrial recruitment program. This strategy worked well for the state. North Carolina moved from an agriculturally-oriented economy to the most manufacturing intensive state in the nation. North Carolina became the model that other Southern states sought to emulate. North Carolina had arrived, but in the 1990s changes in the structure of the economic base began.

Manufacturing employment began to shrink as plants moved out of state and sometimes out of the country in search of cheaper employment; to remain competitive, those

companies that did stay, were reducing their workforce at an alarming rate. By 1997 North Carolina fell to number 2 in the percentage of labor force in manufacturing. While some would see this as a bad situation, North Carolina saw this as an opportunity to diversify its economic base in other employment sectors, such as retail and service. In fact, North Carolina's overall economy grew at a healthy rate with a net increase of 270,400 jobs overall just last year. This diversification of the economy, however, was not benefiting everybody, particularly the rural regions of the state. Most of these new industries were locating in or near urban centers; rural regions lost manufacturing jobs, while not gaining other employment opportunities to replace them.

## **Employment**

In 1998 3,772,400, people were employed in the state, which ranked it 10th in the nation. In 1990 the number of people employed was 3,238,414; that is an increase of 16.5% over a nine-year period, while total population for the state only increased 15.4% during that same time. While rising employment figures are important indicators of the status of a growing economy, it is important to note what types of jobs the citizens of North Carolina are employed and where these businesses are located. The type of job an individual is employed is a large determinant on the amount of money he or she takes home. The "where" is important in determining who is benefiting from new job opportunities or suffering from a lack thereof.

### ***Employment by Industry***

<i>Description</i>	<i>1990 Employed persons</i>	<i>1998 Employed persons 16 years and over</i>	<i>Difference in Employment from 1990 and 1998</i>	<i>% Change in Employment from 1990 and 1998</i>
Ag Services Forestry & Fishing	14630	21898	7268	49.68%
Mining	4178	3827	-351	-8.40%
Construction	165334	197727	32393	19.59%
Manufacturing	866120	835919	-30201	-3.49%
Transportation & Public Utilities	154029	164300	10271	6.67%
Wholesale Trade	160090	183702	23612	14.75%
Retail Trade	554898	649837	94939	17.11%
Finance Insurance & Real Estate	136605	174802	38197	27.96%
Services	615881	934520	318639	51.74%
Unclassified Establishments	6904	771	-6133	-88.83%

Table 17

Source: U.S. Census Bureau, County Business Patterns, 1990 and 1998

Table 17 on the previous page describes the types of jobs in which people were employed in North Carolina in 1990 and 1998. As was suggested earlier, the manufacturing industry was the largest employer of North Carolina residents in 1990 by quite a large margin, but by 1998 it had been surpassed by the service sector. Many manufacturing plants, particularly the textile, furniture, and tobacco industries, saw significant decreases during the last decade due in most part to plant closings and mass layoffs. While these industries have experienced significant layoffs and closings in the past decade, job growth is increasing rapidly in other areas of manufacturing such as industrial machinery, electronic equipment, food and kindred products, and motor vehicle parts manufacturing.

The industry that felt the largest increase over the past decade was the service sector, which increased by over 50% in the eight-year period. Service industries such as engineering, health, and finance, accounted for approximately a quarter million jobs during the nineties. Such an increase is due in most part to the Research Triangle's ability to attract large technological firms to its region and Charlotte becoming a major draw for financial institutions. As these job opportunities have increased so has the population. More people means that the demand for more goods and services increases, which creates a multiplier effect in other industries. Industries that have benefited from the influx of people being employed in these service sector jobs include the retail trade and construction industries.

According to the N.C. Department of Commerce, the service and trade industries are expected to add the most jobs over the next decade. Within the service sector, health, business and educational services are the three industries expected to display the greatest increase. Business, health and educational services account for 68% of the projected increase in the service sector and 44% of all projected growth in total employment for all sectors. Business services include such fast growing industries as employment and temporary help agencies, and computer programming firms. The projected increase in employment for hospitals is the largest component of health services. The predicted growth in school age population and the increasing enrollment in post secondary education are major contributors to the growth in education services. Eating and drinking establishments should show the greatest expansion within the trade sector. Eating and drinking establishments are expected to increase at a pace of 3.3% annually compared to a 1.9% annualized growth rate for the trade sector and account for 48% of the projected growth in the sector.

While local and state government is expected to grow, federal government employment is expected to decrease slightly. Much of the increase in local and state government can be attributed to North Carolina's population growth. The finance, insurance, and real estate (FIRE) industry, with a 1998 growth of 7.8%, will also continue to experience growth into the next century. Concurrent with the general trend in North Carolina, agriculture and mining experienced a low or negative growth rate in 1998

### ***Impact of Layoffs in Manufacturing Employment on Rural Counties***

As of January 1999 statistics showed that North Carolina was ranked fifth nationwide in manufacturing employment as a percentage of the total non-farm labor force. North Carolina's 21.9% manufacturing employment was slightly behind Indiana, Arkansas, Wisconsin, and Mississippi. This is a significant decrease from the nearly 30% of total North Carolina workers who were employed in manufacturing in 1988. Such a decrease did not affect urban centers, which had other industries it could rely upon, but it did have an enormous impact on rural areas, which are entirely dependent upon manufacturing for their livelihood. As Governor Hunt noted when he developed the Rural Prosperity Task Force in 1999, "North Carolina is on the verge of becoming two North Carolinas: one part urban and thriving, and the other part rural and struggling." (Rural Prosperity Task Force Report, pg. 9) Urban areas have the ability to rebound through other employment sectors, but rural areas are at a considerable disadvantage because they lack the education, training, and infrastructure to draw other employment opportunities besides manufacturing.

In 1999 alone, nearly two-thirds of the manufacturing job losses affected rural workers. Some counties have already experienced layoffs of more than 5% of their manufacturing workforce. Others have more than 15% of their workers still involved in traditional manufacturing jobs – those that are most vulnerable to plant closings and layoffs. Still others are heavily dependent on our threatened agricultural economy. Without a strong, proactive retraining effort, rural North Carolina is a vulnerable link in our economy. (Rural Prosperity Task Force Report, pp. 44-45.)

### **Income**

In 1998 the Median Household Income in North Carolina was estimated to be \$35,838, ranking it only 35<sup>th</sup> in the country; the national average was \$38,885. In 1998, North Carolina's per capita income was measured at \$24,036, 31st in the nation, \$2,376 less than the national average of \$26,412. Although the state has improved from its 1990 median household ranking of 37<sup>th</sup> (\$26,647), there is considerable room for improvement, particularly in the minority community and on a regional basis as well. According to the 2000 HUD estimates, the Median Family Income for North Carolina was \$41,800; a breakdown by county is provided on the map on the following page.



### **Income as it Relates to Race**

<b>Income as it Relates to Race, 1990</b>	
<b>Race</b>	<b>1990 Average Household Income</b>
White	\$36,034
Black	\$22,523
American Indian, Eskimo, or Aleut	\$24,900
Asian or Pacific Islander	\$38,035
Other race	\$24,342
Total	\$33,242

Table 18

Source: U.S. Census Bureau, 1990

Table 18 clearly indicates that African Americans, American Indians, and Other Races have average incomes that are significantly lower than their Caucasian counterparts. African Americans and other minorities' household incomes were \$12,000 lower or 33% lower than Whites and Asians. This statistic has been well documented throughout the U.S. that African Americans and minorities have typically fared worse than whites in household income for a variety of reason, whether it is a lack of education, poor job skills, or racism. Income gaps reflect complex social, cultural, and economic factors that affect educational levels, occupational choices, and ultimately household income." (America's Racial and Ethnic Minorities, Population Bulletin, Kelvin M. Pollard and William P. O'Hare, Vol.54, No. 3, September 1999). Our job as the state is to determine the causes of these inadequacies and begin to remedy them.

### ***Income as it Relates to Location***

Besides racial disparities, regional differences in incomes within the state also exist. The four maps on the following three pages indicate the severity of inequality of incomes based upon geographic location. The first map shows the median household income for each county, while the last three show the percentage of individuals in each county who were 30%, 50%, and 80% of the state median income normalized by total county households.

The two counties of Graham and Swain in the Mountain region, the one county of Warren in the Piedmont, and the county of Tyrrell in the Coastal Region all had at least 30% of their total households severely below (less than 30%) the state median income. When moving into the low-income range (50% below median state income), the counties of Alleghany and Clay in the Mountain Region and the counties of Bertie, Bladen, Columbus, Halifax, Hertford, and Northampton along with those mentioned above had 40 to 50% of their households below the 50% state median income. Moving up to the moderate-income level (below 80% of median income), some counties actually improved their percentage of households below median income compared to other counties. Such data indicates that these counties have a high disparity between low-income people and high-income people but not a predominant amount of moderate-income individuals. Counties who had 60 to 70% of their households at or below 80% of median income were

Alleghany, Swain, and Graham in the Mountain Region, Warren County in the Piedmont, Bertie, Hyde, and Tyrrell in the Coastal Region. On the other hand, the county of Hyde does have a high proportionate of its households in the moderate-income level and, thus, had 60 to 70% of its households below 80% of median income.

### ***Income as it Relates to Gender***

Today, women typically earn \$.75 for every dollar a man earns. Although this is an improvement from the 1960s \$.58 cents for every dollar a man earned, women still are not paid the same wages as men for work of equal value. According to a new study, "Equal Pay for Working Families: National and state Data on the Pay Gap and Its Costs", a woman earns an average of \$431 a week, compared to \$579 for men. On a yearly basis, that wage gap translates to more than \$7,500. Minority women do even more poorly than Caucasian women, earning an average of only \$369 a week. Most noteworthy is the impact the pay disparity has on single mothers, who are the most susceptible to poverty. If single mothers earned the equivalent as men at the same job, they would earn \$4,459 more a year, cutting their poverty rate in half, from 25.3 percent to 12.6 percent. ("The Labor Educator", Working Women. Vol. 8, No. 2., April 1999.)

### ***Income as it Relates to Tenure***

<b>North Carolina Renter and Owner Household Income, 1990</b>								
	<i>Percentage of Median Family Income (MFI)</i>							
	0-30% MFI		31-50% MFI		51-80% MFI		Over 80% MFI	
Household	Number	%	Number	%	Number	%	Number	Percent
Owner	172,914	22.0%	123,842	15.8%	177,805	22.7%	309,882	39.5%
Renter	141,148	8.1%	153,503	8.9%	265,312	15.3%	1,172,692	67.7%

Table 19

Source: U.S. Census Bureau, HUD Special tabulations, 1990

As might be expected, renter households in North Carolina, on average, had lower incomes. A much higher percentage of all renter households in 1990 earned less than 50% of the area median income (22%) than of owner households (8.1%). Moreover, 60.5 percent of all renters had incomes at or below 80 percent of the area median income while only 32.3 percent of owners had incomes below that limit.

### **Unemployment Rate**

According to the Employment Security Commission of North Carolina, there were 3,907,100 North Carolinians in the labor force as of April 2000. Only 104,300 people or 2.7% of that labor force were unemployed. This latest unemployment figure for North





Carolina was far below the U.S. rate of 3.9%. North Carolina's unemployment rate has traditionally remained below the national average. Some areas within North Carolina have even experienced unemployment rates below 2.0% over the past five years.

### ***Unemployment as it Relates to Location***

However, there were four counties in North Carolina that had unemployment rates above 8% as of April 2000. They were Swain County in the Mountain Region at 10.1%, Vance County in the Piedmont Region at 8.5%, and Columbus and Tyrrell Counties in the Coastal Region at 8.1% and 9.2% respectively. Without jobs, the people of these rural counties suffer; evidence of that is apparent in Swain and Tyrrell Counties where both had high percentages of their populations below the poverty line. A map of the latest unemployment figures by county is provided on the following page.

### **Poverty**

From 1996 to 1998, North Carolina had an average of 12.5% of its population below the poverty rate. While this is lower than the national average of 13.2%, the state still ranked 29<sup>th</sup> in the country. It also should not surprise us, as indicated by the unemployment figures above and the gaps in education attainment, that there are major discrepancies between the percentage of whites below poverty compared to the number of minorities.

### ***Poverty as it Relates to Race***

Statewide, approximately 8.7 percent of whites were in poverty in 1989 while higher rates of poverty were found among African Americans (27.1%), Native Americans (24.4%), Hispanics (19.2%), and Asians (15%). More often than not poverty is a self-perpetuating cycle. Poor minority children often lack good education and training skills which prevents them from attaining good paying jobs or a job for that matter when they turn eighteen, and thus they find themselves poor, unable to afford food, clothing, or a home when they are about to have their own children.

### ***Poverty as it Relates to Location***

Significant regional disparities in poverty rates exist. According to the 1990 Census, the Coastal region had the highest poverty rate at 17.5 percent, while the poverty rate in the Mountain region was 13.2 percent and the Piedmont had the lowest poverty rate at 10.1 percent. In 1989, there were 25 counties where 20% of the population was below the poverty line: Alleghany, Bertie, Bladen, Cherokee, Columbus, Edgecombe, Graham, Halifax, Hertford, Hoke, Hyde, Jones, Lenoir, Madison, Martin, Northampton, Perquimans, Pitt, Robeson, Sampson, Swain, Tyrrell, Warren, Washington and Watauga.

### ***Family Style and Poverty***

Another factor that appears to influence poverty levels is families that do not have both sets of parents; family structure can clearly influence poverty levels. Single parent households had the largest proportion of households in poverty with 27.8%.

### ***Age and Poverty***

Of the more than half a million elderly households in North Carolina, 23.5 percent were in poverty. About 51% of all elderly live in rural areas; in 22 counties, all persons age 60+ are living in rural areas. Poverty among the 60+ within these counties ranges from 33.3% in Madison to 12.4% in Currituck. While it is not a surprise that persons over age 65 have less annual income due to retirement, it is the extent of the level at which income is dropping that is so disturbing. There is a clear indication that social security, Medicare, and retirement investments are not keeping pace with the needs of North Carolina's older population. Young children did not fair much better. Approximately 19.6% of Children in North Carolina between the ages of 0 and 17 were below the poverty level in 1995, with Hyde County in the east having the largest percentage at over 40% poverty.

### ***Poverty as it Relates to Persons with Special Needs***

The relationship between poverty and disability is often direct. Many adults with serious mental illness, developmental disabilities, and substance disorders live far below the poverty level. In North Carolina there are approximately 57,000 adult recipients of federal Supplemental Social Security Income who have mental illness or mental retardation diagnosis. SSI Income, just over \$500 a month, is approximately 23% of median income in North Carolina. Unable to pay "market" rates, these individuals and families need subsidized housing, but are too often left to live in overcrowded or substandard conditions, are inappropriately institutionalized or among the homeless.

### **Tier 1 and Tier 2, and State Development Zones**

In 1996 North Carolina passed the William S. Lee Act designed to attract companies to distressed areas of the state through the use of tax incentives. In order to target to distressed cities and counties, the state established State Development Zones for cities and a Tier System for counties. Counties were categorized from 1 to 5 using a formula based upon unemployment rates, income, and population growth, with Tier 1 being the most distressed, and Tier 5 being the least distressed counties. A development zone was defined as an area comprised of one or more contiguous census tracts, census block groups, or both with the following conditions: 1) located in whole or in part in a city with a population of more than 5,000, 2) having a population of 1,000, and 3) more than 20% of its population below the poverty level. Businesses choosing to locate in counties designated Tier 1 and Tier 2 counties were eligible for higher tax credits than those locating and investing in higher Tier 3,4, and 5 counties. For the purposes of this plan, Tier 1, Tier 2 Counties, and State Development Zones give a clear indication of the most



distressed areas in the State. The current Tier and State Development designation is provided on a map on the previous page.

### **Hurricane Floyd and its Impact on the Economy**

Hurricane Floyd caused unprecedented damage throughout eastern North Carolina. Floodwaters left 51 people dead and damaged more than 56,000 homes in eastern North Carolina. More than 7,000 homes were destroyed and another 17,000 made uninhabitable. Less than 13% of homes in the affected counties were covered by flood insurance. Many families with damaged homes will not receive enough – or any – insurance coverage or federal assistance to make their homes safe and sound or keep them going while their homes are repaired or replaced.

Businesses and farmers suffered tremendous losses to equipment, inventory, buildings, livestock and crops. Some 12,000 businesses have reported either physical or economic loss to FEMA. Crop losses for the state's farmers alone exceed \$530 million, and because of equipment, building and other structural damage, many farmers will have difficulty next year. Commercial fishing losses are estimated at \$19 million. Between houses and businesses there was an estimated \$6 billion worth in property damage. A spreadsheet and map of the damage assessment according to FEMA by county is provided on the following two pages. The map and spreadsheet clearly indicate the severity and widespread damage the flood had on the eastern portion of the state.

### **Impact of Economic Development on the Environment**

While economic prosperity has enriched the lives of many families in North Carolina, there are consequences to unbridled growth. Between 1992 and 1997, rural land in the state was developed at a rate of 18 acres per hour, ranking it fifth in the nation in the number of acres converted (781,600 acres) over this time period (Source: Natural Resources Conservation Service). Between 1978 and 1997, the number of farms in N.C. dropped by 40% (Source: *U.S. Agricultural Census*).

In the ten-year period from 1989 to 1998, the number of vehicle miles traveled in North Carolina grew twice as fast as the population (population increased 15% and vehicle miles traveled increased 37%) (Sources: N.C. Department of Transportation; N.C. Office of state Planning). In 1999, there were 68 days of bad air due to ground-level ozone pollution, and a total of 539 ozone violations statewide (Source: U.S. Public Interest Research Group).





## **Barriers to Affordable Housing**

During the Consolidated Planning development process a number of government policies were identified by public and private housing providers, program beneficiaries, advocates and interested citizens as having the potential to limit the development of affordable housing in North Carolina. While no comprehensive studies on the impact of state policies on housing affordability have been completed in North Carolina, various committees have been formed that will be submitting reports that include discussions on such public policies. Some of those policies that will be studied are provided below.

### **Tax Policies**

Policies on income, property and sales taxes all can affect the provision of affordable housing. Tax-based stimuli for affordable housing can be implemented through tax savings for homeowners, credits or deferrals for developers of affordable housing and economic development, and tax incentives for long-term affordability.

#### **Response:**

As part of a greater economic development initiative, the legislation created the State Housing Tax Credit. The credit amount is a percentage of the total ten-year federal credit and depends upon the county in which the project is located and its tier classification. As part of G.S. 105-129.3, this legislation implemented a tax credit that was designed to accompany and benefit projects receiving the federal housing credit, for taxable years on or after January 1, 2000. To eliminate barriers to the development and affordability of rental housing, this program allows for deeper targeting requirements and meeting needs in the more distressed counties in the state, which include Tier 1 and 2 counties and those counties severely affected by Hurricane Floyd.

While not specifically related to housing, the North Carolina State Development Zones under the William S. Lee Act, is designed to stimulate investment and job creation in distressed areas in the state through tax credits. Zones are composed of census tracts and/or block groups located at least partially within the contiguous city limits with a population greater than 5000; the zones themselves must have a population greater than 1000 and the poverty level for the entire zone must exceed 20% below poverty. By offering better job opportunities to lower income people, the state hopes that living wages can be earned and more individuals will be able to afford better housing. Currently, there are 61 State Development Zones in 59 cities throughout the state.

### **Land Use Controls**

Through various land use control measures, local governments control land development in their communities, which can have significant impacts on the availability of sites and housing development costs, most notably in the areas of land acquisition, site development and construction costs. These costs, in turn, are reflected in local housing prices.



Response:

In 1999 Governor Hunt created a Smart Growth Task Force to examine growth issues in our state in a comprehensive, systematic and coordinated way, including land-use planning coordination. The Committee has conducted numerous public meetings during 2000, and a final report is due to report in January 2001. Staff has informed the committee of various approaches that other states have used in regard to statewide land use planning. The committee recognizes that there are significant legal and social differences between this State and others having statewide land use planning and that further investigations are necessary.

The Division of Community Assistance may require that communities awarded the Revitalization Strategy Grants, conduct a Comprehensive Plan as part of their community development project. Comprehensive plans set out the broad outlines of the community's plans and goals governing land use. A community's comprehensive plan should include a housing element that addresses the issue of housing affordability by reviewing existing and projected housing needs and developing plans to accommodate those needs with a variety of housing types and densities.

**Zoning Ordinances**

Some types of zoning ordinances can often lead to “exclusionary” tactics that deny developers and individuals access to affordable housing opportunities in their community. Limiting zoning to just single family residential with little or no provision for higher density, increases the price of housing. Zoning often forces people to reside in areas further from job opportunities, and as a result, the cost of commuting compounds a family’s financial burden, particularly to lower income individuals.

Response:

The following suggestions identified by the Triangle Regional Principles Project, a committee formed to develop smart growth strategies for the Triangle Region, could allow for the expansion of more affordable housing in communities if enacted by local governments: 1) Zoning that designates adequate and appropriate space for affordable housing, particularly multi-family which is often the most affordable housing alternative to lower income people, 2) “Inclusionary” zoning which requires that new housing developments include affordable housing units, usually in return for a density bonus or reimbursement of impact fees, and 3) Increase density and encourage mixed uses on land suitable for development. These suggestions are also under study by the Governor’s Smart Growth Task Force and the Legislative Commission on Growth.

## **Manufactured Housing**

Some cities and towns have rules in place effectively banning the addition of new manufactured housing units or developments from the community. The North Carolina Manufactured Housing Institute argues that manufactured housing offers a viable alternative to “site built” construction in providing affordable housing to the State's very low- and low-income residents. The Institute specifically asked that the Division of Community Assistance, through its regional offices take an active role in monitoring zoning discrimination by cities and counties against manufactured housing.

### Response:

The North Carolina General Assembly has prohibited the exclusion of manufactured housing by any municipality or county, but cities and counties may segregate manufactured housing into particular areas of the jurisdiction. The Division of Community Assistance Regional Offices takes an active role in initiating and supporting local efforts to remove zoning discrimination.

## **Subdivision Regulations**

Subdivision regulations set standards for street widths and construction, sidewalks, parking, drainage and other site development requirements. Site planning and development represent major areas of potential costs to developers; these costs may make up 10% of the cost of a new single-family home.

### Response:

It is suggested that communities should review the development standards in their subdivision ordinances to determine where they can be modified to enhance housing affordability. Successful approaches to affordable housing require more efficient utilization of land than has often characterized American home building practices in the past. (*Affordable Residential Land Development*, HUD/Joint Venture for Affordable Housing). The N.C. Department of Transportation has also adopted and is currently promoting the use of traditional neighborhood design standards with streets, more compact building, and other features that should lower the costs to consumers

## **Building Codes**

Building regulations are another means of regulating the use of land; their main objective is to secure socially accepted minimum standards. Although originally designed for fire protection, structural safety and sanitation, modern codes are quite extensive. The codes have often made rehabilitation of homes in disrepair infeasible and increased development costs substantially, making it difficult in particular for low-income groups to afford housing built to legal building standards.

Response:

While the state recognizes that building codes are necessary to promote the health, safety, and welfare of its citizens, the state also recognizes that because they are numerous, codes can drive up housing costs which are often passed on to consumers. While the change in costs would seem insignificant to some, the slightest increase of even \$10 per month on a mortgage or rent could price some lower income families out of the market. The Legislative Committee on Growth is currently reviewing the building codes of states such as New Jersey and Maryland, which promote more affordable housing policies in their codes. Some of these strategies include 1) allowing local governments to fast track or streamline the processing of affordable housing plans, or 2) developing site and building standards that encourage durable, desirable new low-cost housing.

**Fees and charges**

Permit fees and impact fees can be barriers to affordable housing. Developers and advocates of affordable housing have lobbied for several years for a reduction or waiver of impact and/or infrastructure fees for affordable housing projects. There has also been some interest in moving toward basing the fees on the ability to pay.

Response:

In North Carolina, the General Assembly must authorize the imposition of fees for permits and impact fees, but the local governments administer their own programs. Approximately 15 local governments have been authorized to assess impact fees, and of these, less than 5 have actually used that authority. Of much greater impact, according to the North Carolina Home Builders Association, are local government exactions and other assessments.

**Growth Limits**

In the past few years there has been a lot of discussion within states concerning “urban sprawl” and its affect on the environment. One idea of that movement is the use of growth limits or boundaries, which are designated areas surrounding the central cities, where certain types of development are discouraged from being constructed outside of through zoning and requiring individuals to pay for their own infrastructure (i.e. septic tanks) and other services.

The idea was first adopted in the U.S. in Portland, Oregon, in 1973. While the boundary did curb urban sprawl, it also created or exaggerated other problems, in particular affordable housing. Because Portland was a rapidly growing area, the price of land within the boundary was said to have increased sharply; land costs on average increased 40%-80% per owner-occupied housing unit. The impact on tenants was even said to be more dramatic. Households who rented buildings within the growth boundary paid rent on average 40%-80% more than they would have paid without the boundary. Such an increase was exceptionally harmful to those who have low incomes. Many households

were forced to move out of the boundary and into surrounding rural towns and rural areas where they would be forced to install their own septic tanks. To the extent that they continued to work inside the boundary, those individuals incurred longer commutes than they would have in the absence of the growth boundary. (The Costs and Benefits of Fragmented Metropolitan Governance and the New Regionalist Policies, Alex Anas, Professor of Economics, University at Buffalo, SUNY)

Response:

The issue of growth boundaries is among the ideas currently being discussed by the Legislative Commission on Growth. There is no doubt that the urban boundary issue has many pros and cons, and will need further investigation and discussion. The Commission's final report will be made in January 2001.

**Elderly Housing with Supportive Services**

Older and disabled adults consistently indicate that they want to live independently in their own homes. Their preference for independence to the greatest extent possible outside of 24 hour supervised residential care settings challenges state policy makers to develop an array of affordable and accessible housing and service options. Currently the state's commitment of financial assistance for housing and services favors more restrictive and costly 24 hour residential care settings including adult care homes, intermediate and skilled nursing care.

Response:

Policy makers in North Carolina have continued to study models of long-term care and housing with service options to meet the needs of older and disabled adults in an effort to develop a comprehensive state plan. The Legislative Study Commission on Aging supported the creation of a Long Term Care Task Force staffed by the North Carolina Institute of Medicine, charged with making recommendations to the General Assembly. The work of the Task Force has focused primarily on ways to improve quality and access to long-term care within the state's budgetary constraints. The Secretary of Health and Human Services appointed the Long Term Care Roundtable with representatives from public and private provider care organizations, consumers, and academia. This advisory group has also focused most of its attention on quality of care, staff training, development and retention issues. While there has been considerable interest in expanding access to community based supportive services to more individuals who are not currently eligible for Medicaid coverage but who cannot afford private pay services, little attention has been given to housing as an essential component of any comprehensive plan for long term care.

The Independent Housing with Services Study group was appointed by the Secretary of Health and Human Services to review and make recommendations regarding promotion of different models. This group has actively lobbied the Secretary, the Legislative Study Commission and other to promote the development of a variety of affordable housing

models with service options in response to the different needs of urban and rural homeowners and renters. The Study Group's consistent message is that access to safe, decent, affordable housing is fundamental to the success of the state's goal of creating a home and community based service system that maximizes independence for individuals and public financial investment models. This group has actively lobbied the Secretary, the Legislative Study Commission and others to promote the development of a variety of affordable housing models with service options in response to the different needs of urban and rural homeowners and renters.

### **Housing-Related Information Resources**

Some local governments lack information about housing-related activities being used in other municipalities/counties around the state as well as the country. This information would, according to local planners, be helpful in establishing new programs, developing new sources of funding, and aid in more effectively utilizing existing resources by offering specific details about how the programs are being operated in other locations across the State.

#### **Response:**

Several recent efforts have been completed or are underway to increase the availability of housing-related resource information to citizens, housing organizations, public agencies, and services providers statewide. In 1994, the Division of Community Assistance developed the "Affordable Housing Workbook for North Carolina Local Governments", which contained descriptions of affordable housing efforts being undertaken across the State and concrete information such as statutory authority and sample ordinances to help other local governments replicate these efforts. The North Carolina Housing Finance Agency will publish a "Housing Resource Guide" next year, which will include descriptions and contact information for over 1,000 housing organizations, housing-related-services providers and housing financing resources. In addition, the state use of the Internet will also increase the availability of information available to communities throughout the state.

## **Analysis of Impediments**

The Department of Housing and Urban Development requires the State of North Carolina, as part of the Consolidated Planning Process, to submit a Fair Housing Plan. As part of its certification to affirmatively further fair housing, HUD requires the State to conduct an analysis of impediments to fair housing choice. The State of North Carolina contracted with the North Carolina Fair Housing Center to conduct the analysis of impediments. This is the second Fair Housing Plan developed by the State of North Carolina.

HUD defines the fair housing plan as a “comprehensive review of policies, practices and procedures that effect the location, availability and accessibility of housing and the current residential patterns and conditions.” In order to accomplish this task the Fair Housing Center examined existing studies and literature, conducted an historical analysis, reviewed the public policies from a fair housing perspective, analyzed the effectiveness of existing fair housing activities and examined barriers to fair housing choice for each protected class. In the study, the following actions were addressed:

- Barriers to the use of state and private resources by members of protected groups.
- The extent to which governmental programs or services (or the lack thereof) contribute to segregation.
- The extent to which lending institution’s policies and programs (or lack thereof) contribute to community disinvestments.
- The extent of discrimination experienced by protected groups throughout the state.
- The need for and resources available for enforcement of fair housing/fair lending laws throughout the state.

A summary of the findings from the report is provided below:

According to the most recently available statistics, there were 22 counties with African American populations exceeding 34% of the total population. 61% of North Carolina counties are considered highly segregated. A significant over-concentration of African Americans exists in the eastern third of the State.

Eighty percent of all Native Americans in North Carolina are concentrated in 11 counties, with most of the State’s 80,000 Native Americans living in Robeson County (51%) and the Cherokee boundary counties of Graham, Jackson and Swain (8%).

There is a great disparity in the number of Hispanics/Latinos in North Carolina reported in the recently released Census estimate and recent counts conducted by nonprofit agencies. This undercount hampers efforts to access how well the housing needs of this population are being met. This undercount serves as a substantial impediment to housing opportunities, and it is recommended that the State request a new census.

There are also significant disparities in poverty rates for African Americans, Native Americans, Hispanics/Latinos and Asians, as compared to whites living in North Carolina. Fifty percent of the counties that have an over concentration of African Americans also have an over concentration of poverty. While 45% of the counties with concentrated Native American populations experienced the same level of poverty.

African Americans in North Carolina have a significantly higher percentage of sub prime loans (17.7%) and manufactured home loans (14.4%) than the nation as a whole (8.7% and 9.9%, respectfully). Financial institutions denied mortgages to African-Americans households at higher rates than white households—regardless of income. In addition, upper income blacks were denied a higher percentages than were low-income whites. There is a clear correlation between the practice of discrimination in mortgage lending and the disparate rates of home ownership between the African-American and white communities in North Carolina.

Home ownership rates for black households are consistently 20% lower than the home ownership rates for white households throughout the state. In testing conducted by the North Carolina Fair Housing Center over a period of three years in rental, sales, manufactured housing and lending, the Center found that African-Americans experienced significant levels of discrimination in 53% of tests completed.

Where significant Native American population exists, (Robeson, Hoke, Cumberland, Scotland, Halifax Counties) Native Americans experience significant levels of racial discrimination. Native Americans are more likely to be steered to manufactured housing rather than conventional housing, and this often results in these homes being financed as personal property rather than through a mortgage loan. Members of the Cherokee Tribe were concerned about their lack of access to credit on tribal lands, which is a significant barrier to housing choice for the Cherokee households.

Testing conducted by the Fair Housing Center found gender discrimination occurred in 33% of the tests completed. Statistical data suggests that women experience a high level of discrimination in the lending market. A single woman is 61% more likely to be turned down for a loan than male-female applicant pairs. Further, two women applying for a loan together are 73% more likely to be turned down for a loan than a man and a woman applying together.

Tests show that Hispanic/Latino testers experienced significant discrimination in the housing market 47% of the time. Testing data indicates that there are recurring stereotypes related to Hispanics that undermine their ability to secure the housing of their choice.

Familial status discrimination in North Carolina tends to be very overt. In cases where discrimination was implicated, overt statement objecting to children occurred 35% of the time compared to 8% for race and 0% for National Origin.

Testing performed by the North Carolina Fair Housing Center found that 92.5% of all buildings tested for compliance over a three-year period were out of compliance with the law. This is a major impediment to housing opportunity and housing choice for persons with mobility impairments, and as a result of noncompliance with Fair Housing Act Requirements, there is an acute shortage in housing for persons with mobility impairments.

Roughly 25% of all complaints received by the Fair Housing Center involve requests for reasonable accommodations. Many disabled persons need modifications to architectural plans, houses, manufactured homes and other dwelling units.

Persons with cognitive disabilities or histories of such impairments face difficulty finding affordable housing choices. Many end up bouncing between homelessness and incarceration, further limiting their housing choices.

The North Carolina Human Relations Commission is charged with the administration and enforcement of the Fair Housing Law, including the investigation, mediation and litigation of fair housing cases for North Carolina. The North Carolina Human Relations Commission is also actively involved in education and outreach activities related to fair housing. The Commission will monitor the efforts of local communities receiving State and Federal Disaster relief funds to ensure that those funds are not used to perpetuate or foster segregated housing patterns in flood-impacted communities.

The summary above is just a few of the many impediments to fair housing addressed in "The Analysis of Impediments and Fair Housing Plan". If you would like to receive a full copy of that report please contact the DCA Office at phone - (919) 733-2850 or write - Division of Community Assistance, 4313 Mail Service Center, Raleigh, NC 27699.



Housing Assistance Needs of Very Low-, Low- and Moderate-Income Households 1990							
	Households						
	Renters					Owners	
Median Family Income (MFI)	Elderly 1&2 Person	Small Related 2-4 Person	Large Related 5 or more	All Other Households	Total Renter Households	Elderly	All Other Owners
0-50% MFI	80,852	110,491	25,624	79,789	296,756	176,217	35,812
0-30% MFI	55,538	59,795	13,595	43,986	172,914	90,720	19,120
with any housing problems	58%	75%	85%	79%	71%	65%	70%
with cost burden >30%	55%	72%	69%	76%	67%	62%	67%
with cost burden >50%	34%	57%	50%	66%	51%	30%	49%
31-50% MFI	25,314	50,696	12,029	35,803	123,842	85,497	16,692
with any housing problems	53%	68%	79%	79%	69%	27%	52%
with cost burden >30%	50%	64%	50%	76%	63%	26%	50%
with cost burden > 50%	18%	15%	8%	26%	18%	7%	24%
51-80% MFI	16,043	82,530	17,998	61,234	177,805	91,493	37,337
with any housing problems	39%	29%	54%	39%	36%	12%	39%
with cost burden >30%	36%	25%	16%	37%	29%	11%	38%
with cost burden >50%	7%	1%	0%	2%	2%	2%	9%
81-95% MFI	4,380	37,204	6,814	26,047	74,445	35,317	18,404
with any housing problems	20%	9%	38%	10%	13%	8%	30%
with cost burden >30%	18%	6%	5%	9%	7%	7%	29%
with cost burden >50%	5%	0%	0%	0%	1%	1%	3%
Total households	114,397	357,451	67,526	245,069	784,443	454,593	182,550
with any housing problem	48%	31%	57%	37%	38%	22%	30%

Table 20

Source: U.S. Bureau of the Census, 1990, Housing and Urban Development Special Tabulations

## **Estimated Housing Needs**

There are three dimensions to the study of housing needs: physical quality, overcrowding, and affordability. Unfortunately, the measures of the physical quality of housing units available in the Census include only whether units lack complete kitchen facilities and/or complete plumbing facilities. Since there are many other forms of structural deficiency such as unsafe wiring, leaking roofs and holes in floors or walls, the Census data presented below significantly underestimates the total number of units in need of repairs or improvements.

An overcrowded housing unit is any unit that contains more than one person per room. The standard definition of affordability is that housing costs should not exceed 30 percent of gross household income. Any household paying more than 30 percent of its income for housing costs is considered to experience a cost burden. Households paying more than 50 percent of income for housing are considered to have an extreme cost burden.

### **Households with any Housing Problems**

In 1990, a large majority of renter households in both the 0-30 percent and the 31-50 percent of median family income categories had one or more housing problems (see Table 20 on the previous page). The incidence of any housing problem drops in the 51-80 percent income category. The percentage of owners in the 0-30 percent income category experiencing any housing problem is close to that of renters in this income category. The owners in the 31-50 percent income category, however, showed a much lower incidence of housing problems.

### **Households with Cost Burdens**

In 1990, a relatively large 67 percent of renters in the 0-30 percent income category paid more than 30% of income for rent, while 63 percent of those in the 31-50 percent income category paid more than 30% of their income for rent. Among owners, 64 percent in the 0-30 percent income category paid 30 percent or more for owner costs but this drops to 37 percent in the 31-50 percent income category.

### **Households with Severe Cost Burdens**

In 1990, households paying more than 50% of their incomes for rent were concentrated among those earning below 30% of median family income. More than half of renters earning 30 percent or less of area median income had very-high cost burdens while 38 percent of the owners in this income group had very-high cost burdens. The percentage of households paying more than 50% of their income for rent are the largest among Piedmont households in the 0-30 percent and 31-50 percent income categories, while the Coastal region has the highest percentage of owners with very-high cost burdens in all income categories.

## Low Income Households with Housing Problems by Race

### Households Experiencing Overcrowding

In 1990, only about 6 percent of all renter households in the 0-30 and 31-50 income categories, were overcrowded. Moreover, the percentage of overcrowded owner households actually increased from 1.8 percent for the 0-30 percent income category to 2.9 percent for the 51-80 percent income category. Among the regions, the Coastal region had the highest percentage of both renter and owner households that were overcrowded.

### Households with Housing Problems by Race

	Percent of Households by Income Group (percent of area median income)					
	Renter			Owner		
	0-30%	31-50%	51-80%	0-30%	31-50%	51-80%
All Households	71.4	69.1	36.2	67.7	40.6	28.3
White Households	69.8	69.3	35.3	64.4	36.7	26.2
African American Households	72.7	68.3	37.5	76.6	53.3	35.5
Hispanic Households	79.5	74.9	42.3	76.4	57.3	55.7

Table 21

Source: U.S. Bureau of the Census, 1990

The percentage of households with any housing problem also varies by race. In 1990, Hispanic renter households in the 0-30 percent income category had the highest incidence of housing problems (80%). African American renter households in the 0-30 percent income group also experience relatively high percentages of housing problems. Among owner households, African American and Hispanic households in the 0-30 percent income group had the highest incidence of housing problems (77%) followed closely by the percentage of Hispanic owner households earning 0-30 percent (76.4%).

### Households with Housing Problems by Household Type

Comparing the incidence of housing problems in 1990 among three household types (elderly, small family, and large family households), large family households had the highest percentage with any housing problems. This holds for all income levels considered and for both renters and owners. In most income categories, small families had the second highest incidence of any housing problem. Only elderly renter households in the 51-80 percent income category had a higher incidence of housing problems.

## **Structural Problems**

In 1980, 4.4 percent of all occupied housing units in the State lacked complete kitchen facilities. By 1990, this figure had dropped to 1.2 percent. This represents a 65.8 percent drop in the overall number of units lacking complete kitchens. The greatest number and proportion of units lacking complete kitchens were in the Coastal region. The Piedmont had the second highest number of units without complete kitchen facilities, but had the lowest proportion of units with this deficiency.

As with incomplete kitchen facilities, the number of units lacking complete plumbing also dropped dramatically during the 1980's. The percent of all occupied housing units in the State that lacked complete plumbing dropped from 4 percent in 1980 to 1.3 percent in 1990. This is a 59 percent drop in the number of units with this structural problem. The regional pattern of units without complete plumbing is the same as that for units without complete kitchens. The Coastal region had the highest number and the highest percentage of problem units. The Piedmont had the second highest number, but the lowest percentage of units lacking complete plumbing.

## **Substandard but Suitable for Rehabilitation**

There are no statewide data that identify the number of units that are substandard but suitable for rehabilitation. However, if substandard units are defined as those with structural problems (i.e., lacking complete kitchen facilities or complete plumbing), those units most likely to be suitable for rehabilitation are those that have higher values. Data are not available for structural problems by unit value but if affordability level is used as a substitute for value, units affordable to households at 50% and 80% of median family income would have the highest values. These would be the substandard units most likely to be suitable for rehabilitation. There were 13,853 units in this category in 1990 (6,717 owner units and 7,136 rental units).

It is also important to point out that many units besides those that lack complete plumbing or kitchen facilities require rehabilitation. Age of the unit is one variable that is likely to predict the need for housing rehabilitation. Systems fail and need to be replaced as a building ages. Different systems need to be replaced at different rates (e.g., a roof may need to be replaced at 25 years while siding may last longer than that). When a unit gets to be 40 to 50 years old it can be assumed that it will need some rehabilitation. In 1990 there were 248,950 housing units over 50 years old in North Carolina. This represented 10% of the stock. In the year 2000, another 529,904 units (21% of the stock) are estimated to be between 40 and 60 years old. These units are likely to represent the majority of the housing in the state that will require some rehabilitation.

## **Other Households**

The incidence of housing problems is not as great for families with incomes from 81 – 95% of median family income as it is for lower income groups. In 1990, there were 74,445 renter and 142,974 owner households in this income category. Among renters,

12.8% households in this category had any housing problems while 20.5% of owner households experienced some type of housing problem.

Cost burden was a problem for 7% of moderate-income renters and 17% of moderate-income owners. Severe cost burden was a problem for only 0.5% of moderate-income renters and 2% of owners. Overcrowding was a problem for 4% of the renters and 3% of the owners. Only 2% of units affordable to households over 80% of median family income lacked complete plumbing or kitchen facilities.

### **Lead-Based Paint Needs**

Lead poisoning is the leading environmentally caused pediatric health problem today, even though it is entirely preventable. Lead affects virtually every organ system and is particularly harmful to the developing brain and nervous system of fetuses and young children. Pre-school children are also at greater risk of exposure because of normal increased hand-to-mouth activity and enhanced absorption of lead. In the United States, elimination of lead in gasoline, household paint, food and drink cans, and plumbing systems are cited as the primary reasons for an 80% decline in mean pediatric blood lead levels over the past two decades. Even so, 4.4% of U.S. children are estimated to have potentially toxic levels of lead exposure (CDC, 1997). Remaining sources of exposure to children include lead-based paint, lead-contaminated soil and household dust, drinking water, parental occupations and hobbies, industrial emissions, mini-blinds and other vinyl products, lead-glazed ceramic-ware and some traditional medicines and cosmetics.

In response to increasing evidence of lead toxicity at low levels of exposure, the Centers for Disease Control and Prevention lowered the blood lead level to 10 micrograms per deciliter ( $\mu\text{g}/\text{dL}$ ) and, together with the American Academy of Pediatrics, recommended screening all high risk children with elevated exposure with the degree of intervention dependent on the level of exposure. Recommendations also call for a multi-tier approach to follow-up of children with elevated exposure with the degree of intervention dependent on the level of exposure. Children with elevated blood lead levels should receive a complete nutritional assessment and parental education on the sources of lead and simple measures to prevent exposure. In addition, more involved medical and environmental interventions aimed at reducing absorption of lead (e.g., treatment of calcium and iron deficiency, chelation therapy) and identifying and removing sources of exposure (e.g., environmental investigation, lead hazard abatement) should be considered for children with prolonged exposure or higher exposure levels.

Children with elevated blood-lead levels have several special housing needs. All young children in high-risk areas should be considered to have special needs and to be at risk unless they live in lead-safe housing. Lead-safe housing is the primary means of preventing lead poisoning among young children.

The State has established objectives related to screening children and reducing elevated blood lead levels. The objectives are to: increase the number of high-risk one and two year olds screened for lead poisoning (the target population is all Medicaid,

HealthChoice, and WIC recipients) reduce the percent of one and two year old children with blood lead levels greater than or equal to 10µg/dL (the target is to reduce the incidence below .5%).

However, North Carolina's public health system allows each of the State's 100 counties to establish many of their own guidelines and program priorities. Therefore, some counties provide outstanding screening services and data collection systems, while others lag behind in these activities. Local funding issues also affect the local health department's ability to purchase equipment and provide case management for lead poisoned children. The public awareness and education components are being encouraged as preventive techniques that are generally more affordable in the more rural counties.

The primary treatment for lead poisoning is removal from exposure to lead which usually requires relocation of an entire family to temporary housing while abatement is completed or to a permanent, lead-free residence when abatement is not feasible. A lead-safe environment is essential for children receiving chelation therapy, a common treatment for lead poisoning. Due to the nature of chelation therapy, children are at even greater risk for re-poisoning during the course of treatment. Hospitalization or lead-safe housing is necessary for these children, while the only effective treatment for lead poisoned children not receiving chelation therapy is a lead-safe environment. Lead safe temporary housing is a considerable need to lead-poisoned children undergoing treatment.

In addition to medical treatment, lead poisoned children and their families generally need supportive services such as education, coordination of efforts among involved agencies and the child's doctor, and assistance with medical and environmental follow-up.

In 1990, an estimated 313,315 of the State's households housed children under 5 years old. According to the Department of Health and Human Services, Division of Facility Services, there were 5433 houses in 2000 in North Carolina licensed to provide childcare. This number is also important in analyzing the demand for lead-safe housing, since most children spend half their day in such facilities. By adding these two figures together, there is a need for a minimum of 318,748 lead-safe housing units in North Carolina.

In the state of North Carolina, there is no specific mention of lead-based paint in the Building Code. Since 1989, state law related to childhood lead poisoning has required that the State investigate to determine potential sources of exposure. The State has the authority to require abatement in these cases. The Childhood Lead Exposure Control Act was passed in 1997 to require training and certification of contractors and workers involved with lead-based paint abatement activities. Administrative rules have been adopted to implement these laws.

In 1997, the passed legislation also helped establish a new lead based paint Preventative Maintenance Program. The Preventative Maintenance Program is designed to reduce childhood lead exposure in older rental housing. Participation is voluntary (owners of residential rental property built before 1978 are encouraged to participate) and

completion of the program includes liability relief from potential lead poisoning litigation, a Certificate of Compliance with the program, and education about lead based paint clean-up.

There are minor differences between existing state law and new HUD regulations that took effect September 15, 2000. Currently, there is no mechanism to certify sampling or clearance technicians referenced in the HUD regulations. In addition, lead dust standards differ for floors, window sills, and window troughs.

The Ad Hoc Lead Advisory Committee has met quarterly since 1991 to share information and discuss strategies. Chaired by the director of the Lead Poisoning Prevention Program, this inter-agency work group includes more than 50 representatives from Childhood agencies and other organizations involved in the clinical, environmental, advocacy, and preventive aspects childhood lead poisoning. With the new federal requirement for lead hazard reduction in affordable housing, the state's housing agencies have joined the work group and its past focus on diagnosis and treatment has expanded significantly to include prevention.

## **Homeless Needs**

Identifying and addressing the causes of homelessness are important to prevent this living situation for those threatened with homelessness and to assist those households currently homeless. Yet historically, North Carolina has placed a low priority on addressing the needs of today's homeless population and preventing other families and individuals from becoming homeless. Only two programs administered by the state are specific to homeless persons. One, of course, is the HUD-funded Emergency Shelter Grants Program, administered by the Office of Economic Opportunity. The other is an Emergency Shelter Rehabilitation (ESR) Program, funded by the NC Housing Trust Fund and administered by the North Carolina Housing Finance Agency. This program provides zero-interest loans to existing shelters funded by OEO and the NC Council on Women requiring rehabilitation to meet the Agency's minimum health and safety standards.

The North Carolina Interagency Council for Coordinating Homeless Programs (the Interagency Council or ICCHP) was originally established by Governor's Executive Order in 1992. The ICCHP consists of 31 members who are appointed by the Governor and represent public and non-profit agencies serving the homeless and the state departments of Public Instruction, Commerce, Administration, Correction, Cultural Resources, Community Colleges, and Health and Human Services. Seats on the Council are also reserved for homeless or formerly homeless persons. The ICCHP serves as an advisory council to the Governor and Secretary of the Department of Health and Human Services, providing information on problems and issues affecting persons who are homeless or vulnerable to homelessness. The ICCHP is also charged with providing recommendations for joint and cooperative efforts to better meet the needs of the homeless residents of North Carolina.

In June of 2000 a series of three public meetings were held in the state by the agencies administering the ESG, HOPWA, CDBG and HOME Programs. The purpose of these meetings was to solicit public input regarding the state's housing and community development needs, including the needs of the state's homeless people. Sessions were held on homeownership and rehabilitation, special needs/homeless/rental housing, and non-housing community development needs. The resounding demand for rental assistance for extremely low-income households (< 30% median area income) was repeatedly cited in each homeless/special needs/rental housing session, as was the need for the creation of more rental units affordable to this income group. Participants also addressed the need for increased funding for supportive services and operating funds for this group. Nonprofit supportive housing developers asked for core operating support, similar to what the state is granting to community development corporations (CDCs). They also stressed the need for increased housing choices for extremely low-income households.



## **Housing**

The sole common characteristic of homeless people is that they do not have housing. If homelessness is to end in our state, more housing must be made available to poor and low income people. Based on the federal minimum wage of \$5.15/hour, a household earning minimum wage can pay no more than \$270 per month for housing before becoming cost burdened.

While the Office of Economic Opportunity funded 121 grantees in 1998-1999, emergency shelter is not readily available for homeless individuals and families in all communities. Even in those communities that have shelter, not all populations are eligible for assistance from the shelter provider. For example, many rural communities have a domestic violence shelter, but such shelters will not house homeless persons who are not recent victims of domestic violence. Also, emergency shelter programs have taken to charging homeless people a “fee/rent/donation” for the privilege of a cot or mat. These fees range from \$2 to \$15 daily: assuming a daily “fee” of \$5 (which seems to be the average), a homeless person must produce \$150 per month to pay for minimal shelter space.

Many shelters, particularly those that do not charge a fee, must turn away homeless people for lack of space. Additional emergency shelter facilities are needed in most areas of the state. Also, grant funds are needed to rehabilitate some existing shelter facilities, many of which are unsafe for human habitation. Since many shelters are not open 24 hours a day, day facilities are particularly needed for persons recovering from minor surgery or health problems. Moreover, some emergency shelters are not open year round despite year round needs.

Transitional housing programs are critical links between homelessness and permanent housing. Increased transitional housing facilities are needed to end the bottleneck in the shelter system and will facilitate the move into permanent housing.

Most obviously, homeless persons are in critical need of permanent affordable rental housing. Statewide, there is very little housing available that rents for \$150-\$270 per month (the rents affordable to households on SSI and those earning minimum wage). And there has been no production of rental units affordable to this income category by the mainstream resources (CDBG, HOME, Low-Income Housing Tax Credit program, etc.). Because of this, rental assistance plays a crucial role in the provision of housing affordable to extremely low-income households. Homeless and special needs housing and service providers have been very vocal for many years about the need for rental assistance funds to provide housing for persons with incomes below 30% of area median income, particularly those who are homeless or have special needs. However, this need has not received the attention or funding from the state’s major housing funders that it deserves.

## **Supportive Services**

Because of the complex and varied nature of homelessness, a wide continuum of supportive services is required to prevent and move away from homelessness. North Carolina's homeless residents are in need of improved supportive services in addition to their need for affordable housing. Intensive case management, access to medical care, substance abuse services, outreach programs, job training and retraining, and adult education are needed for homeless individuals and families. The various subpopulations have specific and unique needs detailed below:

### ***Homeless Persons with Mental Illness***

Aggressive outreach to persons who are homeless and mentally ill is needed to bring them into the service delivery system. Once engaged, the homeless mentally ill need a full array of psychiatric and social support services. Decent, safe and affordable housing is a necessary prerequisite for the success of these interventions. Homeless persons with mental illness need both structured transitional housing to establish stability and the skills of independent living, and permanent affordable rentals with support services to maintain themselves in the community.

### ***Homeless Persons with Substance Use Disorders***

Homeless persons with substance abuse problems need access to a full range of comprehensive services: substance abuse treatment, transitional housing and halfway houses for both individuals and families so that children can remain with their parents, and affordable permanent housing with appropriate after care to assist individuals in re-establishing themselves.

### ***Homeless Persons with AIDS/HIV***

Homeless persons with HIV/AIDS need safe, affordable housing and supportive, appropriate health care. Eviction/foreclosure prevention funds should be available for persons with HIV-related illnesses who are in danger of losing their homes, and housing assistance (including rent subsidies) should be available for those already on the streets. In addition, adequate funding of targeted housing and health programs must be provided and anti-discrimination laws must be enforced.

### ***Homeless Victims of Domestic Violence***

There is a strong need for transitional housing for the victims of domestic violence currently and this need is expected to grow over the next five years. Additional needs of domestic violence victims include employment counseling and training, increased follow-up services to shelter residency, day care, mental health counseling and court advocacy

### ***Homeless Youth***

Assisting homeless youth requires expansion of emergency, transitional, and permanent housing opportunities such as family host homes, independent living facilities, and scattered-site apartments. Homeless youth benefit from programs that meet immediate needs first, and then help them address other aspects of their lives. Programs that minimize institutional demands and offer a range of services have had success in helping homeless youth regain stability (Robertson, 1996). Educational outreach programs, assistance in locating job training and employment, transitional living programs, and health care especially designed for and directed at homeless youth are also needed. In the long term, homeless youth would benefit from many of the same measures that are needed to fight poverty and homelessness in the adult population, including the provision of affordable housing and employment that pays a living wage. In addition to these basic supports, the child welfare system must make every effort to prevent children from ending up on the streets.

### ***Homeless Veterans***

The needs of homeless veterans include affordable housing, essential health care, substance abuse aftercare, mental health counseling, and job assessment, training and placement assistance. The most effective programs for homeless and at-risk veterans are community-based, vet helping vet programs. Programs that seem to work best feature transitional housing that supplies the camaraderie of living in a structured, substance-free environment with fellow veterans.

### ***Homeless Farm workers and Latinos***

The needs of homeless farm workers include emergency shelter, short-term or seasonal housing not controlled by employers, utility and security deposit assistance for transitional and permanent housing, rental assistance and transportation to expand housing options. The Latino population of our state generally is non-English speaking. Thus, language training and access to service providers who speak their language is critical if these families are to obtain standard housing and maximize their self-sufficiency.

### ***Able-bodied, Single Homeless Persons***

The needs of able-bodied, single homeless persons in the state are fairly direct, temporary in nature and have low cost. Generally, needs for this population include emergency shelter, transitional housing, homeless prevention and recovery funds, shared housing referrals, employment and training assistance, temporary income supports, medical/dental care and transportation. The availability of affordable permanent housing and rental assistance is vital if this subpopulation is to attain independence.

## **Special Needs Needs**

### **Persons with AIDS/HIV**

#### ***Housing***

Housing selections for persons afflicted with AIDS/HIV must be flexible enough to meet various needs. A person diagnosed with the disease may have preliminary finite housing needs. Some of these needs may be rental assistance and resource identification in finding affordable housing. Persons in the last stage of the disease may have more expansive housing needs that include home health care, personal care, placement in a family care home, and a variety of other supportive services. Twenty-four (24) hour care is available to HIV/AIDS residents at family care homes. These facilities provide care for persons in the acute stages of the illness, which are unable to provide for themselves adequately in an independent living situation. Three existing adult day care/day health service centers are operating in the state. These centers are located in Asheville, Fayetteville and Winston-Salem. They provide essential outpatient housing and supportive services to persons with HIV/AIDS, as well as the needed respite to caregivers.

#### ***Supportive Services***

Housing alternatives for persons with HIV/AIDS should be connected with supportive housing needs at the local level. HOPWA funds are used for supportive services, such as health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, housing information and other activities.

The HIV Care Consortia are designated to help those in need of supportive services. They receive HOPWA funds to provide emergency housing assistance and supportive services, which allow individuals and families to remain in their own homes. Also, Medicaid funds used for providing case management services for persons with HIV/AIDS are available. HOPWA requires project applicants to show how necessary supportive services will be provided to HIV/AIDS residents before receiving operational or construction funds.

HIV Care Consortia receive federal funds annually under the Ryan White C.A.R.E. Act of 1990. Ryan White funds are available in all counties to assist HIV/AIDS persons seeking housing and supportive services. Ryan White, as well as Medicaid funds, is available to provide supportive services such as case management specifically designed for persons living with HIV/AIDS.

Supportive services are also provided by local health departments, home health agencies, non-profit organizations, and AIDS service organizations. Adult day care and adult day health services programs for persons living with HIV/AIDS provide supportive services

and activities in a group setting. Health care monitoring and daily nursing supervision, along with other program options, are available in the adult day health services centers.

Supportive services for persons with HIV/AIDS are critical. A major obstacle in creating housing for persons with HIV/AIDS is the difficulty in providing the supportive services. The current resources available are not sufficient to meet the need for supportive services for persons with HIV/AIDS.

## **Persons with Mental Illness, Developmental Disabilities, Physical Disabilities and Substance Use Disorders**

Access to decent and affordable housing is a critical component of care for persons with mental illness, developmental disabilities, physical disabilities, and substance use disorders. The affordable housing crisis that faces most low income North Carolinians is hardest on those with the least ability to acquire housing in the open market. Many adults with serious mental illness, developmental disabilities, physically disabilities and substance use disorders live far below the poverty level.

Every community in the state has citizens with mental illness, developmental disabilities, physically disabilities and substance use disorders. Efforts at integrating persons with disabilities into community life and providing for the basic need of a decent place to live, will not progress until the largest barrier to community inclusion, the lack of housing options affordable to extremely low-income persons is addressed.

### **Persons with Mental Illness**

#### ***Housing***

According to the Duke Epidemiological Catchment Area Study (1984) approximately 1.76% of the population has a severe and persistent mental illness. When applied to 1998 population estimates from the Office of State Planning, 132,862 North Carolinians have a severe and persistent mental illness. Based upon information from the National Institute of Mental Health, an estimated 10% or 13,286 persons with severe and persistent illness in North Carolina are in need of stable, affordable housing. Because a majority of the mentally ill are disabled and live on modest Social Security disability incomes, a far greater number need rental assistance subsidies to make housing affordable.

The housing needs of persons with severe mental illness range on the continuum of housing types. Transitional housing is needed to provide individuals the opportunity to develop the skills to move from both institutional living and homelessness. Rental assistance is needed to allow individuals to rent in the private market, and supported housing developments, permanent affordable rentals with access to support services, are needed to allow individuals to live in the community as independently and productively as possible. For those with the most serious disabilities or specialized treatment needs, there is a need for additional supervised group homes and residences.

Some persons with severe and persistent mental illness may need housing with on-site staff assistance available 24 hours per day, seven days per week, or resources such as meals made available in a boarding home setting. Some may prefer to live in alternative family living arrangements such as adult foster care and may maintain their highest level of function there. Some mental health consumers may need to live in a two-bedroom apartment shared with a friend. Assistance can be available through supportive services provided by mental health program staff, or through natural community support.

### ***Services***

The most severely affected mentally ill require a comprehensive range of supportive services, in addition to financial assistance, to be able to obtain and maintain community housing. The provision of housing with the necessary array of support services has been demonstrated to be cost-effective through reductions in the utilization of hospital beds and emergency resources.

The services needed by persons with mental illness living in the community include comprehensive health care (treatment of mental illness, treatment of alcohol and drug abuse, medical and dental care), peer and family support, educational and work opportunities (including job readiness training), social and recreational opportunities to promote community integration, skill training, and in some instances ongoing assistance in activities of daily living such as budgeting, shopping, cooking, and maintaining a home. Crisis intervention and stabilization services should be available at all times.

## **Persons with Developmental Disabilities**

### ***Housing***

According to the Developmental Disabilities Ten-Year Plan written in 1992, if a reassessment of consumer needs were conducted and consumers were asked where they would like to live, most would choose to live in their own home or an apartment with one or two other friends. There is an increasing recognition of the need for people with developmental disabilities to become more independent and self-sufficient. Consumers could participate in the community more effectively if they had affordable housing options, and the ability to choose where they would live, but the options are not available. The housing needs of people with developmental disabilities include more Section 8 vouchers and other forms of rental assistance, opportunities for homeownership through low interest Federal loans, down payment subsidies, etc. The self-determination movement is designed to provide individuals with developmental disabilities greater autonomy over their own lives and housing is a critical element of self-determination.

### ***Services***

Funding is needed to rehabilitate existing buildings into safe and accessible units for persons with developmental disabilities. Limited development of new group care

facilities is also needed for those who will continue to need intensive 24-hour facility-based care.

## **Persons with Physical Disabilities**

### ***Housing***

Physically Disabled persons need supportive housing, including modifications in order to remain in their homes. Affordable, accessible housing is a primary need. Other needs include ramp construction, bathroom modifications, door widening, and other interior adaptations to make the living environment accessible, as well as supportive attendant care services for some. Transitional housing closely aligned to rehabilitation centers and staffed with persons knowledgeable of rehabilitation practices and attendants to assist during this adjustment period are needed by persons with severe physical disabilities for a period following immediate discharge from a rehabilitation center. Additional available accessible housing in the private sector is needed for low-income persons who are physically disabled.

### ***Services***

In addition to housing modifications, physically disabled persons need such basic services as adaptive equipment and wheelchairs, as well as transportation modifications to facilitate independence from the home to the community.

## **Persons with Substance Abuse Disorders**

### ***Housing***

While there is no clear data on the number who need housing, persons with substance abuse problems are at high risk of residential instability. Many individuals with substance abuse problems are within the extremely low-income groups and would benefit from increased access to affordable housing, particularly transitional housing which is the primary housing need for persons in recovery from substance abuse. Primary treatment goals for an individual in recovery include not only becoming abstinent and/or drug-free, but also employed and attain stable housing. Few substance abusers in recovery are disabled to the extent of not being able to provide for themselves in the long term, but early in the treatment and recovery period, unmet housing needs are crucial. The Substance Abuse Service Section at the NC Division of MH/DD/SAS provides for and encourages the development of transitional group homes for recovering substance abusers through the operation of a revolving loan fund in partnership with Oxford House, Inc. There are currently 634 units that have been developed through this effort.

## *Services*

The majority of alcohol/other drug abusers need secondary and tertiary prevention services, which include access to decent and affordable housing, comprehensive health care, dental care, substance abuse treatment services, peer and family support, employment counseling and job readiness training, living skills training, crisis intervention/stabilization services, and case management.

## **Persons who are Elderly/Frail Elderly**

The North Carolina 1999-2003 State Aging Services Plan describes the need to assist older adults at all functional levels to age in place in their own homes or in their communities in multi-unit housing combined with essential services. The Plan emphasizes the need to further develop housing with services as an essential part of a home and community based system of services for older adults. Affordable housing options for low-and moderate-income older adults and the growing demand for home repair, maintenance, weatherization and installation of assistance devices (ramps, rails, grab bars) in existing housing were identified as major housing issues by county based organizations to the state aging plan.

## *Housing*

An increasing number of early hospital discharges have increased the number of elderly, functionally impaired population in communities. Although exact data is not available, the low bed-to-population ratios for hospitals and nursing homes would suggest that a significant number of the elderly released from hospitals prematurely return to the community because of financial and space limitations. Non-metropolitan counties typically have lower bed-to-population ratios. Mental health professionals report that those with mental impairments are increasingly being placed in adult care homes where staff is inadequately trained to care for their needs. Such placements occur due to lack of other appropriate supportive housing options. According to HUD-Greensboro, in 2000, there are 673 subsidized housing projects exclusively for the elderly in North Carolina. State totals by program of subsidized housing units for the elderly as of 2000 are as follows:

<b>Program</b>	<i>Number of Units</i>
HUD Conventional Public Housing	7185
Other HUD Rental Assistance	14,976
NCHFA Housing Credit Properties	5910
Other NCHFA Rental Assistance	1641
USDA Rural Development Sec. 515	4591
<b>TOTAL</b>	<b>34,303</b>

Table 22



According to the North Carolina Division of Aging, there are currently 373 nursing homes in North Carolina, with a total of 39,674 beds. Funding options for nursing home care include: private funding, long-term care insurance, Medicare, and in large part Medicaid. There are also over 1,400 adult care homes in North Carolina. Adult care homes are different from nursing homes in the level of care and qualifications of staff. Adult care homes are residences for aged and disabled adults who may require 24-hour supervision and assistance with personal care needs. These homes vary in size from family care homes of two to six residents to adult care homes of more than 100 residents. People in adult care homes typically need a place to live, some help with personal care (such as dressing, grooming and keeping up with medications), and some limited supervision. Medical care may be provided on occasion but is not routinely needed. There are 116 certified Adult Day Care and Adult Day Health Programs in North Carolina, containing 3294 certified slots; and 47 Continuing Care Retirement Communities across North Carolina. The Division of Aging reports at least 120 non-subsidized elderly housing communities.

With 19.5 percent of North Carolina's older adults living at or below the poverty level in 1999, maintaining housing is difficult for frail older adults. The impaired elderly are more likely to have incomes below poverty level, and are also more likely to live in poor housing. In 1990, 79 percent of people 65 and older owned their home, while 21 percent were renters. Combined 1990 census estimates for elderly owners and renters indicate that 11,913 homes lack complete plumbing facilities and 19,444 are without telephones. Poor plumbing can compound existing health problems and increases the risk of severe health problems.

### *Services*

Supportive services are insufficient to adequately provide care in the home. In 1990, approximately 23 percent of the 187,784 persons aged 65-plus living in the community needed assistance with at least one daily living task such as meal preparation, shopping, paying bills, dressing, bathing, etc. This percentage increased to 57 percent when considering the 85-plus population, the fastest growing segment. It is estimated in the March 1993 Progress Report of the Advisory Committee on Home and Community Care for Older Adults that approximately 7 percent of the older population living in the community have three or more impairments in activities of daily living (frail elderly). Even with these impairments, many elderly can still live independently with appropriate supportive services. Assuming the individual has access to safe, affordable housing, the greatest demand will be for in-home and community based services.

## **Community Development Needs**

### **Introduction**

Statewide statistics show that North Carolina is a growing and prosperous state that is benefiting many of its citizens. The current growth, however, is not evenly benefiting all the individuals within the state. Even in regions that appear to be thriving, disparities are evident, and other areas are experiencing severe distress. North Carolina needs to insure that all parts and communities of the state have strong neighborhoods and employment opportunities. In order to ensure that poverty in North Carolina is reduced and low to moderate income people receive a piece of the economic prosperity pie, the state has identified community development needs that should be targeted within the next five years. These needs are based upon various statistical data, state reports, a series of public workshops, one-on-one consultations, and staff analysis. These needs are 1) new infrastructure and infrastructure improvements, 2) micro-enterprise development, 3) economic self-sufficiency, 4) community capacity building, 5) education, training, and retraining 6) comprehensive neighborhood revitalization, 7) smart growth, and 8) complete recovery from the consequences of Hurricane Floyd.

### **Infrastructure**

#### ***Residential***

Access to clean water for all of North Carolina's citizens is critical. Unfortunately, more than 50% of the state's water systems are more than 40 years old, and only 6% have made major line repairs since the original installation. 75% of those surveyed have no excess capacity to handle additional water needs, and more than 72% of those surveyed say their sewer systems have no excess capacity. North Carolina is still number one among states in outhouses.

Senator John Kerr speaking at a Rural Prosperity Task Force meeting in Kenansville, "when a community runs out of water and sewer capacity, it becomes stagnant." Clean water for drinking and proper waste disposal ensures environmental quality and is the foundation of present and future rural prosperity. No family in North Carolina should have to endure the health risks and inconvenience of outhouses or straight pipes that carry raw sewage into neighborhood creeks where their children play, but many rural families still do. Without the means to provide safe drinking water and adequate disposal of wastewater, communities cannot protect the health of their citizens or provide a suitable environment for needed development. For many communities in the state's rural counties, the need for improvements to water and sewer systems is a matter of survival. According to a recent comprehensive assessment by the N.C. Rural Economic Development Center, rural communities have close to \$9.5 billion dollars of unmet water and sewer needs. Their problems include deteriorating lines, inflow and infiltration in sewer systems, and a lack of excess plant capacity for residential growth.

The challenge of operating and maintaining water and sewer systems could easily overwhelm many of our state's small, rural communities. At the same time that regulations increase and enforcement tightens, funding is either difficult to find or, once found, is difficult for the community to access. Small communities need a stable source of funding; an ongoing and dependable source of funds for water and sewer improvements is needed to fill this gap. (Rural Prosperity Task Force Report)

### ***Economic Development***

Physical infrastructure – highways, housing, water and sewer facilities, gas, and electric generators – form the basic foundation upon which businesses and communities are built. They are crucial in attracting and keeping employers that provide workers with reasonable wages and, thus, allow communities to thrive. The state's distressed areas shouldn't continue to lose desperately needed jobs, because they lack the water and sewer capacity to accommodate growth, but many rural areas still do. Without adequate sewage treatment plant capacity, existing businesses are constrained and new businesses must seek other sites, not only out of the region, but the state as well.

Economic development should be the product of an unspoken and informal agreement between business/industry and the public sector. If government builds and maintains public infrastructure projects, the private sector will undoubtedly produce goods, services, and jobs to meet the needs of the people using those facilities. The more responsibly government performs its task, the more attractive the location will be and the more likely businesses will start up, relocate, or expand here. If government fails to address both the day to day management of and budgeting for this public infrastructure, the area eventually will become less and less attractive for both business and residential development and the economy will decline. "For the most part, rural counties are unable to afford the expenses of providing water and sewer services at an affordable cost to their citizens and business. Where there is no water and sewer, growth will not exist," said Jerry Ayscue, Vance County Manager when commenting to the Rural Prosperity Task Force. Because infrastructure investments are so central to the process of economic revitalization, many communities are rededicating themselves to restoring and enhancing these public amenities. However, while rural leaders across North Carolina recognize the need for increased infrastructure investment in key areas, traditional sources of revenue to meet those needs are declining. Keeping our rural communities from falling further behind will, thus, require both careful planning and creative thinking on financing.

### **Micro-Enterprise Development**

It has become apparent from our consultations and public workshops that there is more of a demand for micro-enterprise businesses in North Carolina than there ever has been before, particularly in the rural communities. The reason for this is the fact that the large manufacturing plants, which were once the staple for employment in rural communities, have closed, moved, or cut jobs, while the likelihood of drawing such businesses in the future is slim. Some people believe that by encouraging more small businesses to develop, which tend to have more staying power than their manufacturing predecessors,

the state can fill the employment gap and give more low income people the opportunity to succeed.

Micro-businesses are defined as very small entities capitalized with less than \$5,000 and usually employing less than five people. They tend to offer services oriented toward retail trade, other services or construction, and may be part of a cooperative, or located in a home or a commercial strip. The State believes that micro-enterprises are important in communities, especially where there are few formal job opportunities and where there are people who have little formal education and training. Most micro-businesses lack access to traditional credit institutions and the knowledge to start their own businesses. It is believed that by providing capital, technical assistance, and peer support, the state can empower low-income people to become self-sufficient and a working member of today's society. (The Empowerment Zone Fund: A Model, September 1995, Andrew M. Cuomo, Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development)

### **Economic Self-Sufficiency**

In the past, the traditional way of thinking was that homeownership was the key to reducing poverty. New research indicates, however, that a "new" home is not the answer to reducing poverty for all poor people. Yes, it is beneficial to those individuals who are on the border of owning a home, but for extremely low-income people, those individuals 30% of Median Family Income, owning a home may be a difficult task. Affordable rental or some form of transitional housing might be a better option. Nevertheless, experts believe that economic literacy, which is universal to all social classes, is the key to reducing poverty.

The State and Federal governments already stress the importance of saving to moderate and high income individuals and families through financial planning, economic literacy services, and refundable tax credit programs, which in turn allow families to save toward homeownership, education and retirement. The best way for low-income people to attain self-sufficiency, is acquiring the necessary financial skills through economic literacy programs that will empower them and give them the opportunity to pull themselves up with their own hard work and effort. Self-sufficiency involves more than a job or a home; it is the building of self-esteem, worth, and responsibility, and creating a certain personal dignity.

Individual Development Accounts (IDAs) Programs are one of the new saving programs that are being developed around the country that give economic incentives and training to low-income for the purposes of homeownership, micro-enterprise, or education purposes. Many poor people have never had any training of any kind in how to manage money; by giving them the opportunity to improve their own credit rating and teaching them to save, the state would instill in them the principles to one-day become self-sufficient. There is a clear indication that learning to save is one of the largest obstacles to economic mobility and obtaining quality housing. Counseling programs that inform people of their economic power options, teach economic literacy and financial planning to low- to

moderate-income individuals make investing in the future feasible and aspirations for education, homeownership, or starting or investing in a business a reality.

### **Community Capacity Building**

Local communities and officials know their local needs, as well as what housing and community building approaches will and will not work in their community. Allocating resources, setting priorities, and identifying the specific delivery system are decisions that should be made by local governments in conjunction with citizens and resource deliverers. Decision-makers at the neighborhood, local and state levels should have maximum flexibility to address local needs. Resources should be flexible enough to reach across multiple local jurisdictions and solve problems with and tap assets of an area wide or regional perspective.

Many rural communities have good ideas about what needs to be done to strengthen their communities, but struggle to launch and sustain projects that will produce real returns – financial, social, civic, educational and environmental – for all their citizens, whether they are black, white, Native American, Latino or Asian, young or old, wealthy or poor. North Carolina's rural communities face a range of critical issues that demand urgent attention, defy easy solution, and have both direct and indirect effects on rural prosperity. These issues, including the need to improve education, adapt to rapid changes in the local and regional economy, prepare and retrain the workforce, continue sustainable economic development, preserve environmental quality, and adapt to increasing population diversity, will shape the lives of all citizens in the state. The specific solutions to these issues will be most effective when they are local and regional, developed from within, and tailored to each community. The ability of rural communities to address these issues successfully will determine whether they build on their considerable current strengths or lose ground in the future.

In each meeting conducted by the Rural Prosperity Task Force and Consolidated Plan Workshops, citizens spoke of the importance of building the capacity of their community and its leadership to do collaborative problem-solving and project implementation well. Successful community development depends on a community's ability to marshal knowledge of best practices and mobilize broad-based leadership toward clear outcomes that benefit the whole population. Many communities struggle to launch and sustain community development ventures that produce real returns - financial, social, civic, educational, and environmental - for all of their citizens. However, North Carolina has a strong collection of organizations - governmental, academic, nonprofit, and private - that in various ways can help build the capacity of communities. Over the past ten years, these organizations have worked hard to build these capacities for leadership and development with promising results. (Rural Prosperity Task Force)

## **Education, Training, and Retraining**

The ultimate key to increasing economic development in rural North Carolina is enabling people to become better educated, better trained, and more flexible, ready for careers in high technology and other jobs of the next century. The manufacturing industry, which at one time was the staple employment opportunity of the blue-collar worker and the backbone of the state's economy, is now decreasing. Unfortunately, to some extent in the past, these workers were relatively insulated from the consequences of advanced education and training by working hard at jobs that value hard work more than literacy. But as many of our traditional manufacturing jobs disappear, we can no longer afford high rates of illiteracy and an uneducated workforce.

North Carolina ranks in the bottom eleven states in the nation in adult literacy, particularly high in rural counties, which in turn makes the problems of both dislocated workers and families in poverty more difficult to address. According to the 1997 National Adult Literacy Survey, twenty-five rural counties have 30% or more of their adults with level 1 literacy skills, meaning they lack even the most basic writing and computing skills. There is little doubt then that education, training, and retraining are the key to job stability and higher wages in rural North Carolina.

There also needs to be better education, and training for those agencies that are advocates for the poor. Unfortunately, most of these agencies, particularly startup non-profits, are unaware of the funding that is available and even if they know of funding available lack the where-with-all or knowledge to complete what seems an insurmountable amount of paperwork. To make matters worse most community development projects require various funding sources in order make an entire project affordable; therefore, small non-profits often do not have the staff or time to "jump through all the hoops" to bring a project to fruition. The state realizes that these agencies are an integral part to the delivery system of goods and services to the poor, since they are often the only intermediary between the state and the individuals for which the HUD monies are intended. The state hopes that the Capacity Building Program along with better efforts with marketing and technical assistance will be able to make North Carolina's local non-profits more productive and, thus, help those individuals most in need.

## **Comprehensive Neighborhood Revitalization**

The state's Community Development Block Grant community revitalization program has been criticized for being overly narrow and inflexible, limited mainly to housing rehabilitation, water, sewer, and streets. Local governments and citizen groups have called for more flexibility so that public funds can be used for a wide-range of activities and, therefore, have a more lasting impact on communities. The state's design of the CDBG program needs to encourage more comprehensive approaches within project or neighborhood areas. Comprehensive approaches to community development integrate economic, physical, environmental, and human development in a coordinated fashion, responding to the total needs in a community. Comprehensive neighborhood revitalization involves an ongoing process of expanding, rehabilitating, and maintaining

affordable housing, and improving public facilities, resources, and services. At a municipal, county, or regional level, this may entail multi-year plans to identify priority areas and strategies to improve the quality of the physical, social, economic and housing conditions in those areas. Poor communities and families are best helped when the solutions are comprehensive and attack all the elements that cause poverty.

## **Smart Growth**

Increasing reports on traffic congestion in many metropolitan areas and the devastating impacts of flooding from Hurricane Floyd, has shown that North Carolina is not immune to the consequences of poorly managed growth. Regardless of location, all of our communities face issues with growth and development. Some are straining to maintain adequate public services, environmental quality, and community character in the face of rapid growth, while others are struggling to provide economic opportunity or recovering from devastating natural disasters.

When forming his 21<sup>st</sup> Century Communities Task Force, Governor Hunt said "The time has come for state government to examine growth issues in our state in a comprehensive, systematic and coordinated way. North Carolina has grown tremendously in the past quarter century, and we want to continue to encourage healthy, environmentally friendly growth that can bring good jobs to our state. However, our quality of life will suffer unless we make growth work for us as a state, and not against our goals to preserve clean air, clean water and open space." As a result of that task force, North Carolina identified five major objectives that will enable the state to continue to grow economically without jeopardizing its high quality of life: 1) providing more transportation choices, 2) preserving farms and open space, 3) maintaining the vitality of Main Streets and downtowns, 4) providing safe, decent, affordable housing, and 5) building a sense of community.

According to the North Carolina Chapter of the American Planning Association (NCAPA), encouraging the use of Smart Growth techniques will help N.C. communities achieve their planning objectives by maximizing the state's resources and providing the highest possible quality of life for all of their citizens in the future, black or white and urban versus rural. Smart growth principles are not only important to urban areas of the state but also regions that have not yet experienced rapid growth. Community character and quality of life are important assets for rural places and will help them attract appropriate development in the years to come. According to NCAPA, the state should have a critical role to play in helping its communities address growth issues. A successful statewide Smart Growth Program should include:

- Flexibility - The state should increase the flexibility for local governments and regions to use new funding mechanisms and innovative smart growth tools to address growth and infrastructure issues.
- Incentives - The state should provide substantial incentives to encourage smart growth practices. It should develop and consistently apply a smart growth

investment strategy to guide state funding programs. Likewise, it should work to remove any disincentives that currently hinder smart growth efforts.

- **Coordination** – The state should ensure that local communities maintain control over local planning and land use decision-making. At the same time, it should provide a flexible state and regional growth framework that coordinates smart growth efforts, builds regional cooperation, minimizes conflicts between jurisdictions, and maximizes the benefits of our limited resources.
- **Involvement** - The state should encourage the input and involvement of all citizens in all aspects of smart growth planning and implementation efforts, using a “bottom-up” planning approach.

### **Marketing, Outreach, and Technical Assistance**

One of the principal criticisms at the series of workshops was the lack of information available on housing programs throughout the state, including even confusion about the four partners’ programs. This is a clear indication that we need to do a better job of marketing our programs to the general public. Although, NCHFA is currently working on “The Housing Resource Guide”, which will list and describe organizations in North Carolina that provide housing services, much more is needed to inform housing and community development advocates throughout the state of the types of assistance available to them. New types of media promotions such as the Internet should be pushed to increase outreach.

The confusing eligibility rules and complex application procedures intimidate many non-profits and inexperienced Community Development Corporations (CDCs). State agencies need to reexamine their policies and application procedures, revamp the language, and reduce parts that are confusing. Granted under the Federal government, there are many rules and regulations that cannot be eliminated, but that is where the state must offer better technical assistance. There are some complaints that the time between when grant applications are available and the application deadline is too brief. The state must strive to widen this timeframe, so that we can offer technical assistance well in advance and, in the case of CDBG funding, allow enough time for the non-profits to develop those relationships with local governments that are so critical to the success of projects.

### **Disaster Recovery from Hurricane Floyd**

On top of these unresolved needs, the effect of Hurricane Floyd on September 16, 1999, was devastating to the state. Hitting landfall on the eastern portion of North Carolina, Floyd caused more damage than any disaster ever recorded in the state. The record-high floodwaters of Hurricane Floyd covered a greater land area than the state of Maryland and forced tens of thousands of people from their homes. Many people lost everything – their homes, their farms, their businesses and their loved ones.

The floods caused by Hurricane Floyd brought damage to more than 56,000 homes, in an area that already suffered from a shortage of housing. Initial assessments show that at



least 30 towns and cities were completely submerged. Many of the homes that were still structurally sound after the flood will still have to be condemned because the water was contaminated with raw sewage, pesticides, agricultural waste, and dead animals. Hurricane Floyd was an environmental and public health catastrophe. Floodwaters picked up raw sewage from sewage treatment plants, animal waste, drowned animals from large-scale livestock farms, petroleum, pesticides, and other chemicals from farms, homes, and businesses. The water then deposited the toxic material throughout the flood zone, meaning that thousands of private wells may be too polluted to use. The damage to businesses has yet to be tabulated. Thousands of people are temporarily out of work, and many others no longer have a job. Small business owners and the self-employed were especially hard hit. The commercial fishing industry, such as shell fishing, has also been devastated, due to damage to estuaries and gear. (Hurricane Floyd Emergency Appropriation Request Summary state of North Carolina, News Release)

Flood insurance and funds from the federal Hazard Grant Mitigation Program will help relocate some homes and elevate others. \$836 Million in State funds will help repair or replace some of the 15,000 homeowners located outside the 100-year floodplain, but these monies are still not enough to meet the needs. North Carolina still faces a massive shortfall. Based on conservative estimates from both state and federal agencies, North Carolina needs \$4.3 billion to meet all the needs and speed the recovery. It will take years and maybe decades to fully recover from the flood; however, the state just does not want to return the east to the position it was in before the flood, rather improve upon it. The state sees this as an opportunity to build more sustainable, disaster resilient communities for the future.

## **5-Year Housing Strategy**

### **Overall Priorities**

The five-year strategy establishes the State's general priorities for allocating funds geographically and among priority needs during the period fiscal year 2001-2005. The strategy also identifies more specific actions and programs for assisting households.

The priority needs in this section are organized according to the households to be assisted. Households are categorized by income group, tenure, and special needs characteristics. Priorities were established using the following criteria: the incidence of housing problems among the population; the total number of households affected; public input; and the appropriateness of the resources available to address the needs of the households. The following is a summary of the State's priority housing needs:

#### ***High Priority Needs***

- Assist Existing Home Owners 0-30% of MFI
- Assist Families and Individuals Displaced by Disaster 0-30% and 31-50% of MFI
- Assist Homeless Families and Individuals
- Assist Non-Homeless Persons with Special Needs 0-30% and 31-50% of MFI
- Assist Renters 0-30% and 31-50% of MFI

#### ***Medium Priority Needs***

- Assist Existing Home Owners 31-50% of MFI
- Assist Families and Individuals Displaced by Disaster 51-80%
- Assist Non-Homeless Persons with Special Needs 51-80% of MFI
- Assist Renters 51-80% of MFI

#### ***Low Priority Needs***

- Assist Existing Home Owners 51-80% of MFI

Table 24 below provides a summary of the priorities by household income and tenure.

<b>Percent of Median Family Income</b>	<b>Renter Households*</b>	<b>Existing Homeowners</b>	<b>Homeless Families and Individuals</b>	<b>Non- Homeless Persons with Special Needs</b>	<b>Families and Individuals Displaced by Disaster</b>
<b>0-30%</b>	H	H	H	H	H
<b>31-50%</b>	H	M		H	H
<b>51-80%</b>	M	L		M	M

Table 24

\*Includes small related - 2-4 person households; large related - 5 or more person households.

## **Individual Priorities Analysis and Strategy Development**

The following sections describe the state's specific strategies, programs, anticipated funding, and performance targets to address the priority needs that were identified above. An analysis is also provided in each section below based upon data provided in the Historical Data and Needs Assessment and based upon information obtained in Public Participation Workshops and Consultations.

### ***High Priorities***

#### Assist Existing Home Owners 0-30 % of Median Family Income

##### *Analysis*

In 1990 there were 141,148 homeowners below 30% of Median Family Income in North Carolina, 8% of all homeowners. Unlike renters in this income category, the incidence of problems in households earning 0-30% median family income is significantly greater than of those earning 31-50% of Median Family Income. Over 67% of owners below 30% of Median Family Income have a housing problem compared to 40% of those in the 31-50% category. Elderly households make up the majority (64%) of owner households 0-30% of Median Family Income with a housing problem.

As defined by the Census, the main housing problem faced by homeowners in this income category is high cost burden. In 1990, 94% of all the owners 0-30% of Median Family Income that had a housing problem had a cost burden greater than 30%. However, many cost burdened households by definition have inadequate incomes to maintain their homes and therefore are likely to have housing rehabilitation needs that are not identified by the Census. This is particularly true for elderly homeowners, 79% of which live in homes built before 1955.

##### *Obstacles*

Among the obstacles to addressing the needs of this group are the lack of specific statewide data on housing rehabilitation needs and, in many areas, an inadequate housing delivery system for rehabilitation. Reverse mortgages discussed below are a tool for some elderly homeowners but the market has not been strong for these loan products. Finally other than the Homestead Exemption for elderly and disabled homeowners, there are few, if any, affordable financial assistance programs to help homeowners with high cost burdens. In fact, some of the homeowners become victim to predatory lenders partly due to the lack of financing alternatives.

##### *Strategies*

Increasing incomes or lowering debt service and operating costs (utilities, taxes, insurance, and maintenance) are the potential ways to help very low-income homeowners with high cost burdens.

Currently, the main tools to address this priority are loans and grants for housing rehabilitation. Secondary activities include property tax relief and homeowner counseling programs, which should address predatory lending.

Housing rehabilitation has traditionally been the activity used for this category of need. Because of lack of income, many of the homes occupied by homeowners 0-30% of Median Family Income are likely to be in older structures that are inadequately maintained. In 1990, 24% of the units affordable to households below 30% of Median Family Income were built before 1960. Home improvements, particularly energy improvements, can also lower operating costs for homeowners. Therefore, rehabilitation of appropriate homes can be a cost-effective way to help the homeowner while maintaining the State's supply of affordable housing.

Since the elderly make up the majority (61%) in this category, reverse mortgages can be a useful tool. Reverse mortgages can provide elderly with additional income for both regular expenses and unexpected costs (e.g., medical expenses). Reverse mortgages are provided through private lenders, but the State's role under the North Carolina Reverse Mortgage Act is to certify counselors who provide the required counseling to households interested in reverse mortgages.

Tax changes, such as an increase in the State's Homestead Exemption for elderly and disabled homeowners would help lower operating expenses for cost-burdened homeowners 0-30% of Median Family Income. Bills were introduced in the 2000 session of the North Carolina General Assembly to raise the exemption from \$20,000 to \$25,000 or \$30,000 but no final action was taken on the bills.

The following table describes the main program resources that will be used to assist homeowners earning 0-30% MFI from 2001-2005. Because it is difficult to predict the dollars that will be available each year of the next five years, the number of households annually to be assisted assumes the same level of funding each year as proposed for 2001.

<b>Estimated Assistance to Owner Population 0-30% Median Family Income 2001-2005</b>					
<i>Housing Activities</i>	<i>Agency</i>	<i>Agency Programs Performing Housing Activity</i>	<i>Estimated \$ Amount Available</i>	<i>Households, Individuals, or Units to be Assisted</i>	<i>Geographic Distribution</i>

Rehabilitation	HFA	SFR	\$10,000,000	500 Units	Statewide
Rehabilitation	HFA	URP	\$3,750,000	1100 Units	Statewide
Rehabilitation	HFA	Duke HELP	\$1,000,000	200 Units	Duke Energy Service Area
Rehabilitation	DOC-DCA	CDBG – Concentrated Needs	\$7,800,000	261 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Scattered Site	\$13,800,000	459 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Revitalization Strategy	\$1,900,000	64 Units	Tier 1 and Tier 2 Counties, State Development Zones

## Assist Families and Individuals Displaced by Disaster and 0-50% of MFI

### *Analysis*

Hurricane Floyd has affected thousands of individuals and families in the eastern part of the state, and it will take years for them to recover. Hardest hit, of course, are those individuals who were financially burdened before the disaster, those persons between 0-50% of median family income. For low-income homeowners affected by Floyd, the consequences have been disastrous. Most of these people's biggest asset was their home; and without flood insurance, they may never be able to recoup the time and money invested in their homes. For renters, the availability of affordable housing has decreased because many rental units have either been destroyed or beyond rehabilitation.

### *Obstacles*

The obstacles for individuals displaced by disaster between 0-50% MFI are the same as for other low income individuals throughout the state, but compounded two ways: 1) by the fact that inadequacies multiply when disaster strikes, and 2) by the fact that there is a sense of urgency. Retaining transitional housing units on a temporary basis until more permanent housing can either be rehabilitated or constructed is a must. Getting qualified contractors to rehabilitate homes affected by natural disasters is more difficult, especially when most of the good contractors are working on middle class and upper class homes, where profit margins tend to be higher. Once permanent housing is available, making the housing affordable is key whether it is through helping them to finance a new homes or offering rent subsidies.

### *Strategies*

Over the next five years, the state has allocated money specifically for the rehabilitation and reconstruction of homeowner and rental units in those counties and cities declared to be natural disaster areas. The following tables describe the program resources that will be used to assist individuals and families displaced by disaster and 0-30% and 31-50% Median Family Income from 2001-2005. Because it is difficult to predict the dollars that will be available each year of the next five years, the number of households to be assisted annually assumes the same level of funding each year as proposed for 2001.

<b>Estimated Assistance to Families and Individuals Displaced by Natural Disaster 0%-50% Median Family Income 2001-2005</b>					
<i>Housing Activities</i>	<i>Agency</i>	<i>Agency Programs Performing Housing Activity</i>	<i>Estimated \$ Amount Available</i>	<i>Households, Individuals, or Units to be Assisted</i>	<i>Geographic Distribution</i>
Rehabilitation	Commerce-DCA	CHA-Repair	\$35,250,000	1211 Units	Declared counties
New Construction	Commerce-DCA	CHA-Replacement	\$39,750,000	580 Units	Declared counties



## Assist Homeless Families and Individuals

### *Analysis*

Homeless people are the most profoundly affected by the lack of affordable housing – they are without shelter. As was discussed previously, ESG-funded facilities for the homeless served over 43,000 people in FY 1999. Naturally, one of the fastest growing segments of the homeless population is families with children. In North Carolina, ESG-funded facilities reported serving 6,289 families (18,116 people or about 43% of all people served) in FY 1999. Service providers cite poverty, lack of affordable housing, and domestic violence as the main causes of homelessness in North Carolina. Based on this fact, assisting homeless persons should be a high priority.

For the homeless, the lack of housing includes safe, affordable emergency shelter. Transitional housing programs are also scarce, and permanent housing is practically unattainable for extremely low-income households without rental assistance.

### *Obstacles*

The obstacles to addressing the needs of homeless citizens include: the lack of available funding at all levels for emergency shelter and supportive services and inadequate funding for transitional housing and services. Moreover, the deep subsidies needed to assist extremely low-income households are “unpopular” with the mainstream housing resources. Even those projects that manage to put together a financing package for supportive housing are often stalled by community opposition to the siting of any affordable housing developments, but especially those serving persons with special needs. Participants in the needs assessment meetings all cited NIMBYism, exclusionary zoning, and land use practices as key obstacles to developing affordable housing for those most in need.

Additionally, some shelter providers lack the capacity to provide transitional or permanent housing options, and are in need of intensive technical assistance. Also, the state has no accurate count of the number and characteristics of our homeless residents, which hampers our efforts to secure funding, especially federal. Moreover, since a large proportion of homeless persons is “non-family” they often are not provided assistance through existing programs.

### *Strategies*

Operating support for emergency shelters, development of affordable transitional housing units, in tandem with the provision of rental assistance to homeless individuals and families, are the primary activities that will be used to assist this population. Rental assistance is emphasized because it is the quickest and most cost-effective approach to moving people off of the streets and out of shelters into transitional or permanent housing with supportive services. This is particularly effective in those areas with adequate rental vacancy rates.

Additionally, we must dedicate additional resources to preventing homelessness, since it is far

**Homeless Families and Individuals  
0-30% Median Family Income  
2001-2005**

more cost effective to prevent homelessness rather than helping people recover from homelessness. The experience of living without shelter is so traumatic that the physical, psychological, and economic damages must be avoided. The following table lists the main program resources that will be used to assist homeless individuals and families.

<i>Housing Activities</i>	<i>Agency</i>	<i>Agency Programs Performing Housing Activity</i>	<i>Estimated \$ Amount Available</i>	<i>Households, Individuals, or Units to be Assisted</i>	<i>Geographic Distribution</i>
Operating Assistance for Shelters	DHHS-OEO	ESG	\$9,000,000	125,000 Individuals and 31,000 Families	Statewide
Supportive Services	DHHS-OEO	ESG	\$1,000,000	Not Available (See Note)	Statewide
Homeless Prevention	DHHS-OEO	ESG	\$740,000	1500 Individuals and 4000 Families	Statewide
Transitional and Rental Housing Production	HFA	SHDP	\$6,000,000	600 Units	Statewide
Emergency Shelter Rehabilitation	HFA	ESRP	\$750,000	150 Units	Statewide
Rental Assistance	HFA	TBRA	\$2,000,000	400 HH	Statewide
Infrastructure for Transitional Housing Production	DOC-DCA	CDBG - Housing Development	\$1,350,000	300 Transitional Multi Family Units	Statewide

## Assist Non-Homeless Households With Special Needs 0-30% and 31-50% of MFI

### *Analysis*

Non-homeless populations with special needs are another population severely affected by the lack of affordable and accessible housing resources and supportive services. For this reason, assisting households with special needs is a high priority.

Special populations, which include the elderly/frail elderly, mentally ill, developmentally disabled, physically disabled, substance abusers, persons with AIDS/HIV, and persons with dual diagnosis were discussed previously. Of the estimated 114,762 persons in North Carolina with Severe and Persistent Mental Illness, the estimated bare minimum needing housing assistance is 11,476 (North Carolina Division of Mental Health, Developmental Disability and Substance Abuse). There are 155,591 Social Security recipients with a disability, and 2,857 persons with a developmental disability on the Single Portal Housing Wait Lists.

A lack of housing affordable to special needs households earning 0-50% of MFI, particularly those earning less than 30 percent, was cited by all categories of special needs. For some special populations the provision of affordable housing would necessitate new construction or deep rental subsidies. For other special populations, rehabilitation and minor home modification services -- particularly to ensure accessibility -- are a demonstrable need according to service providers. Most special needs populations require the provision of supportive services and case management. The common link for these diverse populations is the need for affordable housing with supportive services.

### *Obstacles*

A lack of housing affordable to special needs households earning 0-50% of MFI, particularly those earning less than 30% of MFI, was cited by all categories of special needs. For some special populations the provision of affordable housing would necessitate new construction or deep rental subsidies. For other special populations, rehabilitation and minor home modification services -- particularly to ensure accessibility -- are a demonstrable need according to service providers. Most special needs populations require the provision of supportive services and case management. The common link for these diverse populations is the need for affordable housing with supportive services.

### *Strategies*

Rental assistance and the development of supportive housing through new construction and property acquisition or acquisition and rehabilitation will be the primary activities used to assist these households. The housing activities and programs identified under in the section on assisting very low-income renters also serve this population.

New construction and acquisition/rehabilitation are seen as primary activities to meet the housing needs of special needs households. The following two tables describe the main program

resources that will be used to assist households with special needs. Because it is difficult to predict the dollars that will be available each year of the next five years, the number of households to be assisted annually assumes the same level of funding each year as proposed for 2001.

<b>Estimated Assistance to Non Homeless Special Needs Population</b> <b>0-30% Median Family Income</b> <b>2001-2005</b>					
<i>Housing Activities</i>	<i>Agency</i>	<i>Agency Programs Performing Housing Activity</i>	<i>Estimated \$ Amount Available</i>	<i>Households, Individuals, or Units to be Assisted</i>	<i>Geographic Distribution</i>
Day Care	DHHS-HIV/STD	HOPWA	\$450,000	450 Individuals	3 Day Care Centers
Ancillary Services	DHHS-HIV/STD	HOPWA	\$400,000	2100 Individuals	Statewide
Acute Care	DHHS-HIV/STD	HOPWA	\$450,000	240 Individuals	Statewide
Rental Production	DHHS-HIV/STD	HOPWA	\$300,000	400 Units	Statewide
Rental Assistance	DHHS-HIV/STD	HOPWA	\$400,000	2100 Individuals	Statewide
Rehabilitation	DHHS-HIV/STD	HOPWA	\$150,000	40 Units	Statewide
Operating Assistance	DHHS-HIV/STD	HOPWA	\$200,000	150 Agencies	Statewide
Supportive Services	DHHS-HIV/STD	HOPWA	\$200,000	600 Persons	Statewide
Rental Production	HFA	SHDP	\$4,000,000	200 Units	Statewide
Infrastructure for Rental Production	DOC-DCA	CDBG - Housing Development	\$270,000	60 Multi Family Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Concentrated Needs	\$625,000	21 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Scattered Site	\$1,100,000	37 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Revitalization Strategy	\$150,000	5 Units	Tier 1 and Tier 2 Counties, State Development Zones

<b>Estimated Assistance to Non Homeless Special Needs Population 31-50% Median Family Income 2001-2005</b>					
<i>Housing Activities</i>	<i>Agency</i>	<i>Agency Programs Performing Housing Activity</i>	<i>Estimated \$ Amount Available</i>	<i>Households, Individuals, or Units to be Assisted</i>	<i>Geographic Distribution</i>
Day Care	DHHS-HIV/STD Prevention and Care Branch	HOPWA	\$450,000	450 Persons	3 Day Care Centers
Ancillary Services	DHHS-HIV/STD	HOPWA	\$400,000	2100 Persons	Statewide
Acute Care	DHHS-HIV/STD	HOPWA	\$450,000	240 Persons	Statewide
Rental Production	DHHS-HIV/STD	HOPWA	\$300,000	400 Units	Statewide
Rental Assistance	DHHS-HIV/STD	HOPWA	\$400,000	2100 Persons	Statewide
Rehabilitation	DHHS-HIV/STD	HOPWA	\$150,000	40 Units	Statewide
Operating Assistance	DHHS-HIV/STD	HOPWA	\$200,000	150 Agencies	Statewide
Supportive Services	DHHS-HIV/STD	HOPWA	\$200,000	600 Persons	Statewide
Infrastructure for Rental Production	DOC-DCA	CDBG - Housing Development	\$135,000	30 Multi Family Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Concentrated Needs	\$425,000	14 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Scattered Site	\$750,000	25 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Revitalization Strategy	\$105,000	3 Units	Tier 1 and Tier 2 Counties, State Development Zones

## Assist Renters 0-30% and 31-50% of MFI

### *Analysis*

Based on both the incidence of housing problems and the number of households affected in 1990, assisting renter households with incomes up to 50% of median family income is assigned a high priority.

In 1990, there were 296,756 renters below 50% of MFI in North Carolina, 38% of all renters. These renters had an extremely high incidence of one or more housing problems. Statewide 71% of renter households with incomes 0-30% of area median income had a housing problem. More than half of all renters earning below 30% of MFI in 1990 had severe costs burdens, paying over 50% of their income for housing. The situation was not much better for renters in the 31-50% income category where 69% had one or more housing problems. In 2000, 36% of all renters in the state could not afford the rent for a two-bedroom unit.

### *Obstacles*

The obstacles to addressing this population include the deep subsidies needed to assist these households; the lack of available, standard rental housing stock in some rural areas; inadequate subsidies to construct and operate housing for renters 0-30% of Median Family Income; the lack of infrastructure in some rural areas; and the lack of available, affordable land in many urban areas. Serving renters 0-30% of Median Family Income is particularly difficult. Rental assistance or other forms of operating subsidies are essential to serve this population. Equity financing such as through the federal and state housing tax credit programs and low interest debt financing are very helpful, but they are not sufficient. Unfortunately there are almost no sources for new project-based rental assistance.

### *Strategies*

The primary activity that will be used to assist renters with incomes up to 50% of median family income is new construction. In addition, acquisition and rehabilitation, rental assistance, and providing support facilities and services are other activities that will be utilized.

New construction is the primary activity to meet the needs of renters 0-50% of Median Family Income because it adds units to the inventory on a long-term basis, unlike rental assistance. Rental assistance and other operating subsidies are essentially the only approach to serve households of 0-30% of Median Family Income. Rehabilitation of rental housing (without acquisition) is a secondary activity. While it can be a cost-effective approach, it lacks the range of financing tools (e.g., tax credits) available to rental production and it presents more monitoring and compliance problems. Supportive services are increasingly becoming important tools to aid rental-housing operation. Services are primarily provided by local organizations and the state's rental housing programs will continue to encourage the development of rental housing with services.

The following tables describe the program resources that will be used to assist renter households 0-30% and 31-50% Median Family Income from 2001-2005. Because it is difficult to predict the dollars that will be available each year of the next five years, the number of households to be assisted annually assumes the same level of funding each year as proposed for 2001.

<b>Estimated Assistance to Renter Population 0%-30% Median Family Income 2001-2005</b>					
<i>Housing Activities</i>	<i>Agency</i>	<i>Agency Programs Performing Housing Activity</i>	<i>Estimated \$ Amount Available</i>	<i>Households, Individuals, or Units to be Assisted</i>	<i>Geographic Distribution</i>
Rehabilitation & Production	HFA	HC(Federal)	\$8,400,000	200 Units	Statewide
Rehabilitation & Production	HFA	HC(State)	\$1,260,000	(1)	Statewide
Rehabilitation & Production	HFA	RPP	\$5,000,000	200 Units (2)	Statewide
Infrastructure for Rental Production	DOC-DCA	CDBG - Housing Development	\$1,700,000	383 Multi-Family Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Concentrated Needs	\$4,000,000	135 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Scattered Site	\$7,100,000	237 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Revitalization Strategy	\$990,000	33 Units	Tier 1 and Tier 2 Counties, State Development Zones

(1) In order for units to be funded through the State Housing Credit Program, they must also be funded through the Federal Housing Credit Program. To avoid double counting, units counted were only counted once and are listed under the Federal Housing Credit Program

(2) Units financed through the Rental Production Program are almost always financed through the Housing Credit Program. These units are not included in the total to avoid double counting.

<b>Estimated Assistance to Renter Population 31%-50% Median Family Income 2001-2005</b>					
<i>Housing Activities</i>	<i>Agency</i>	<i>Agency Programs Performing Housing Activity</i>	<i>Estimated \$ Amount Available</i>	<i>Households, Individuals, or Units to be Assisted</i>	<i>Geographic Distribution</i>
Homebuyer Assistance	HFA	SHH	\$160,000,000	1975 Units	Statewide
Rental Production	HFA	RPP	\$45,000,000	1800 Units (2)	Statewide
Infrastructure for Rental Production	DOC-DCA	CDBG - Housing Development	\$1,100,000	255 Multi Family Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Concentrated Needs	\$2,900,000	95 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Scattered Site	\$5,000,000	167 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Revitalization Strategy	\$700,000	23 Units	Tier 1 and Tier 2 Counties, State Development Zones
New Construction & Rehabilitation	HFA	Federal Housing Credit Program	\$132,090,000	3145 Units	Statewide
New Construction & Rehabilitation	HFA	State Housing Credit Program	\$36,750,000	(1)	Statewide

(1) In order for units to be funded through the State Housing Credit Program, they must also be funded through the Federal Housing Credit Program. To avoid double counting, units counted were only counted once and are listed under the Federal Housing Credit Program

(2) Units financed through the Rental Production Program are almost always financed through the Housing Credit Program. These units are not included in the total to avoid double counting.



## ***Medium Priorities***

### **Assist Existing Homeowners 31-50% of Median Family Income**

#### ***Analysis***

There were 153,503 homeowners earning 51-80% of median family income in North Carolina in 1990; this represents 8.9% of all homeowners. While the incidence of housing problems in households earning 31-50% of Median Family Income is less than of those earning 0-30% of Median Family Income, it is still a significant percent. Over 40% of owners 31-50% of Median Family Income have a housing problem. Unlike the 0-30% income category, elderly households do not make up the majority of owner households 31-50% of Median Family Income with a housing problem – however, they do still make up a significant amount (37%).

As defined by the Census, the main housing problem faced by homeowners in this income category is high cost burden. In 1990, 90% of all the owners 31-50% of Median Family Income that had a housing problem had a cost burden greater than 30%. However, many cost burdened households by definition have inadequate incomes to maintain their homes and therefore are likely to have housing rehabilitation needs that are not identified by the Census. This is particularly true for elderly homeowners, 79% of which live in homes built before 1955.

#### ***Obstacles***

As discussed in the section addressing homeowners earning 0-30% of Median Area Income, among the obstacles to addressing the needs of this group are the lack of specific statewide data on housing rehabilitation needs and, in many areas, an inadequate housing delivery system for rehabilitation. Reverse mortgages discussed below are a tool for some elderly homeowners but the market has not been strong for these loan products. Finally other than the Homestead Exemption for elderly and disabled homeowners, there are few, if any, affordable financial assistance programs to help homeowners with high cost burdens. In fact, many of the homeowners become victim to predatory lenders partly due to the lack of alternatives.

#### ***Strategies***

Increasing incomes or lowering debt service and operating costs (utilities, taxes, insurance, and maintenance) are the potential ways to help very low-income homeowners with high cost burdens.

Currently, the main tools to address this priority are loans and grants for housing rehabilitation. Secondary activities include property tax relief and homeowner counseling programs, which should address predatory lending.

Housing rehabilitation has traditionally been the activity used for this category of need. Because of lack of income, many of the homes occupied by homeowners 31-50% of Median Family Income are likely to be in older structures that are inadequately maintained. In 1990, 34% of the units affordable to households below 50% of Median Family Income were built before 1960.

Home improvements, particularly energy improvements, can also lower operating costs for homeowners. Therefore, rehabilitation of appropriate homes can be a cost-effective way to help the homeowner while maintaining the State's supply of affordable housing.

Since the elderly make up a significant portion (37%) of this category, reverse mortgages can be a useful too. Reverse mortgages can provide elderly with additional income for both regular expenses and unexpected costs (e.g., medical expenses). Reverse mortgages are provided through private lenders, but the State's role under the North Carolina Reverse Mortgage Act is to certify counselors who provide the required counseling to households interested in reverse mortgages.

Tax changes, such as an increase in the State's Homestead Exemption for elderly and disabled homeowners would help lower operating expenses for cost-burdened homeowners 0-50% of Median Family Income. Bills were introduced in the 2000 session of the North Carolina General Assembly to raise the exemption from \$20,000 to \$25,000 or \$30,000 but no final action was taken on the bills.

The following table describes the main program resources that will be used to assist homeowners earning 31-50% MFI from 2001-2005. Because it is difficult to predict the dollars that will be available each year of the next five years, the number of households annually to be assisted assumes the same level of funding each year as proposed for 2001.

<b>Estimated Assistance to Owner Population 31%-50% Median Family Income 2001-2005</b>					
<i>Housing Activities</i>	<i>Agency</i>	<i>Agency Programs Performing Housing Activity</i>	<i>Estimated \$ Amount Available</i>	<i>Households, Individuals, or Units to be Assisted</i>	<i>Geographic Distribution</i>
Rehabilitation	HFA	SFR	\$10,000,000	500 Units	Statewide
Rehabilitation	HFA	URP	\$3,750,000	1100 Units	Statewide
Rehabilitation	HFA	Duke HELP	\$1,000,000	200 Units	Duke Energy Service Area
Rehabilitation	DOC-DCA	CDBG – Concentrated Needs	\$5,200,000	174 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Scattered Site	\$9,200,000	306 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Revitalization Strategy	\$1,300,000	43 Units	Tier 1 and Tier 2 Counties, State Development Zones

## Assist Families and Individuals Displaced by Disaster and 51-80% of MFI

### *Analysis*

Hurricane Floyd has affected thousands of individuals and families in the eastern part of the state, and it will take years for them to recover. Those individuals in the 51-80% category were hardest hit by Floyd's impact on owner occupied homes.

### *Obstacles*

The obstacles for individuals displaced by disaster between 51-80% MFI is the same as similar individuals throughout the state but compounded two-fold: 1) by the fact that inadequacies automatically multiply when disaster strikes, and 2) by the fact that there is a sense of urgency. The need to set up transitional housing units on a temporary basis until more permanent housing can either be rehabilitated or constructed is a must. Getting qualified contractors to rehabilitate homes affected by natural disasters is more difficult, especially when most of the good contractors are working on middle class and upper class homes, where wages tend to be higher. Once permanent housing is available, making the housing affordable is paramount.

### *Strategies*

Over the next five years, the state will set out to allocate money specifically for the rehabilitation and reconstruction of homeowner units in those counties and cities declared to be natural disaster areas. We will also concentrate a portion of CDBG funds for infrastructure that will allow new affordable subdivisions to be constructed. The following tables describe the program resources that will be used to assist individuals and families displaced by disaster and 51-80% Median Family Income from 2001-2005. Because it is difficult to predict the dollars that will be available each year of the next five years, the number of households to be assisted annually assumes the same level of funding each year as proposed for 2001.

<b>Estimated Assistance to Families and Individuals Displaced by Natural Disaster 51%-80% Median Family Income 2001-2005</b>					
<b><i>Housing Activities</i></b>	<b><i>Agency</i></b>	<b><i>Agency Programs Performing Housing Activity</i></b>	<b><i>Estimated \$ Amount Available</i></b>	<b><i>Households, Individuals, or Units to be Assisted</i></b>	<b><i>Geographic Distribution</i></b>
Rehabilitation	Commerce-DCA	CHA-Repair	\$35,250,000	1211 Units	Declared counties
New Construction	Commerce-DCA	CHA-Replacement	\$39,750,000	580 Units	Declared counties
Infrastructure	Commerce-DCA	CHA-Infrastructure	35,000,000	3500 Units	Declared counties

## Assist Non-Homeless Households With Special Needs 51-80% of MFI

### *Analysis*

Non-homeless populations with special needs are a group of populations severely affected by the lack of affordable housing resources and supportive services. However, because the incidence for housing problems in most populations drops significantly from 0-50% to the 51-80% income category, assisting special needs populations with incomes 51-80% of Median Family Income is assigned a medium priority.

### *Obstacles*

Special populations, which include the elderly/frail elderly, mentally ill, developmentally disabled, physically disabled, substance abusers, persons with HIV/AIDS, and persons with dual diagnosis were discussed in the needs assessment. Housing cost burden remains the main housing problem for most of this population. For some special populations, the provision of affordable housing would necessitate new construction and or shallow rent subsidies. For other special populations, rehabilitation and minor home modifications – particularly to ensure accessibility – are a demonstrable need according to service providers. All special needs populations require the provision of supportive services and case management.

### *Strategies*

Rental assistance and acquisition and rehabilitation will be the primary activities used to aid this population. The housing activities and programs identified under Assisting Renters 51-80% and Assisting Homeowners 51-80% also serve this population – especially homeowner production programs.

<b>Estimated Assistance to Non Homeless Special Needs Population 51-80% Median Family Income 2001-2005</b>					
<i>Housing Activities</i>	<i>Agency</i>	<i>Agency Programs Performing Housing Activity</i>	<i>Estimated \$ Amount Available</i>	<i>Households, Individuals, or Units to be Assisted</i>	<i>Geographic Distribution</i>
Day Care	DHHS-HIV/STD	HOPWA	\$225,000	75 Persons	3 Day Care Centers Area
Ancillary Services	DHHS-HIV/STD	HOPWA	\$200,000	350 Persons	Statewide
Acute Care	DHHS-HIV/STD	HOPWA	\$225,000	45 Persons	Statewide
Rental Production	DHHS-HIV/STD	HOPWA	\$150,000	25 Units	Statewide
Rental Assistance	DHHS-HIV/STD	HOPWA	\$200,000	350 Persons	Statewide
Rehabilitation	DHHS-HIV/STD	HOPWA	\$75,000	20 Units	Statewide
Operating Assistance	DHHS-HIV/STD	HOPWA	\$100,000	25 Agencies	Statewide
Supportive Services	DHHS-HIV/STD	HOPWA	\$100,000	100 Persons	Statewide
Infrastructure for Rental Production	DOC-DCA	CDBG - Housing Development	\$270,000	27 Multi Family Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Concentrated Needs	\$200,000	7 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Scattered Site	\$350,000	12 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Revitalization Strategy	\$50,000	2 Units	Tier 1 and Tier 2 Counties, State Development Zones

## Assist Renters 51-80% of Median Family Income

### *Analysis*

Assisting renters 51-80% of Median Family Income is assigned a medium priority. It was selected for this level priority because the incidence and severity of housing problems among this population group are not as extreme as for lower income renters.

In 1990, there were 177,805 renter households 51-80% of Median Family Income, 23% of all renter households. Approximately 36% of these households had a housing problem, with a cost burden greater than 30% being the main problem. Only 2% of the renters in this income group had a cost burden in excess of 50%, compared to more than 37% for renters below 50% of Median Family Income.

Low-income renters can be assisted through both rental and home ownership programs. Most of the current rental programs assisting renters in this group serve only those below 60% of Median Family Income (e.g. the Housing Credit Program). Renters 61-80% of Median Family Income are generally assisted through market rate rental housing and first time homebuyer programs.

Helping renters become first-time homebuyers accomplishes several public purposes. First, it directly helps the households assisted, giving them more control over their living environment and their lives and helping them develop equity (wealth). Home ownership can also help people become more involved with their community, helping to build stronger neighborhoods and communities. Finally, home ownership indirectly benefits other low-income renters by freeing up rental units, which is particularly helpful in high-cost rental markets and those with low vacancy rates.

### *Obstacles*

The obstacles to addressing the needs of renters 51-80% of Median Family Income are not as great as assisting renters below 50% of Median Family Income. They can be helped with shallower subsidies and through both rental and homeownership programs. Some renters in this group need support services to help prepare them for homeownership. Homebuyer education and pre-purchase counseling programs are particularly important for this group. Also, additionally low payment and closing cost assistance is often needed as well as loan subsidies, particularly for those with lower incomes.

### *Strategies*

New construction of rental housing and financing for the purchase of new and existing homes are the primary activities to assist these households. Also, support services (mainly homebuyer education and pre-purchase counseling) will be used.

The following table describes the main program resources that will be used to assist renter households earning 51-80% MFI. Because it is difficult to predict the dollars that will be available each year of the next five years, the number of households to be assisted annually assumes the same level of funding each year as proposed for 2001.

<b>Estimated Assistance to Renter Population 51%-80% Median Family Income 2001-2005</b>					
<i>Housing Activities</i>	<i>Agency</i>	<i>Agency Programs Performing Housing Activity</i>	<i>Estimated \$ Amount Available</i>	<i>Households, Individuals, or Units to be Assisted</i>	<i>Geographic Distribution</i>
Homebuyer Assistance	HFA	AHOP	\$7,500,000	300 Units	Statewide
Infrastructure for Rental Production	DOC-DCA	CDBG - Housing Development	\$1,400,000	861 Multi Family Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Concentrated Needs	\$2,500,000	48 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Scattered Site	\$350,000	83 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Revitalization Strategy	\$990,000	12 Units	Tier 1 & Tier 2 Counties, State Development Zones
New Construction & Rehabilitation	HFA	Federal Housing Credit Program	\$275,940,000	6570 Units	Statewide
New Construction & Rehabilitation	HFA	State Housing Credit Program	\$147,175,000	(1)	Statewide
Homebuyer Assistance	HFA	Down Payment Assistance Program	\$5,000,000	1,000 Units	Statewide
Homebuyer Assistance	HFA	Mortgage Revenue Bond Program	\$630,000,000	7,775 Units	Statewide

(1) In order for units to be funded through the State Housing Credit Program, they must also be funded through the Federal Housing Credit Program. To avoid double counting, units counted were only counted once and are listed under the Federal Housing Credit Program

(2) Units financed through the Rental Production Program are almost always financed through the Housing Credit Program.

## *Low Priorities*

### Assist Home Owners Earning 51-80% of Median Family Income

#### *Analysis*

There were 153,503 homeowners earning 51-80% of median family income in North Carolina in 1990. This represents 8.9% of all homeowners. In 1990, 28% of all these owner households had a housing problem. While not as severe in terms of numbers or incidence as the problems of owners earning 0-50% of median family income, owners earning 51-80% Median Family Income still represent a significant component of the State's households with housing problems. There are relatively small regional differences in the incidence of housing problems among owners in this income category.

The type of housing problem faced by homeowners earning 51-80% Median Family Income is primarily high cost burden. Of the 75,122 owners in this income category with a housing problem, 88% have a cost burden greater than 30%. Extremely high cost burdens are generally not a problem for this category of households. Only 5 % had cost burdens over 50%. As with other population groups, overcrowding is generally not a problem for these homeowners. However, overcrowding was a greater problem for owners earning 51-80% Median Family Income than it was for homeowners earning 0-50% Median Family Income.

#### *Obstacles*

The obstacles to addressing the housing needs of these homeowners are basically the same as those for lower income owners. However, one advantage to addressing the needs of this group is that the subsidies generally would not have to be as deep and probably could include more loans and fewer grants. This indicates that there could be more private lender participation in addressing the needs of this population.

#### *Strategies*

The primary activity to meet the needs of homeowners earning 51-80% of median family income is housing rehabilitation. Rehabilitation was again selected as a primary activity since many owners in this income category live in housing that is older and, because of lack of income, may be inadequately maintained. In addition, home improvements, particularly energy improvements, can lower operating costs for homeowners. Rehabilitation of appropriate homes is a cost-effective way for the State to help lower income homeowners and maintain the State's affordable housing supply.

As mentioned in the earlier sections addressing existing homeowners, housing rehabilitation has traditionally been the activity used for this category of need. However, as discussed above in the Needs Assessment, housing cost burden has become the predominate problem for low-income



homeowners, as it was for renters and for very low-income owners. Therefore, homeowner assistance in the form of refinancing is another activity that will be used to address the need. It is likely that refinancing could be included with rehabilitation activities. Reverse mortgages will be used to help the elderly owners both upgrade their homes and provide them with additional income. Support services such as homeowner counseling, including reverse mortgage counseling, and in-home services for elderly homeowners are additional secondary activities. These are primarily provided by local agencies but state-housing programs should encourage and coordinate with these programs.

The following are the main program resources that will be used to assist homeowners earning 51-80% MFI.

**Estimated Assistance to Owner Population  
51%-80% Median Family Income  
2001-2005**

Rehabilitation	HFA	SFR	\$10,000,000	500 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Concentrated Needs	\$2,400,000	79 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Scattered Site	\$4,200,000	139 Units	Statewide
Rehabilitation	DOC-DCA	CDBG – Revitalization Strategy	\$580,000	19 Units	Tier 1 and Tier 2 Counties, State Development Zones
<i>Housing Activities</i>	<i>Agency</i>	<i>Agency Programs Performing Housing Activity</i>	<i>Estimated \$ Amount Available</i>	<i>Households, Individuals, or Units to be Assisted</i>	<i>Geographic Distribution</i>

## **Low-Income Housing Tax Credits**

This section describes the State's strategy for coordinating Housing Credits with the development of rental housing affordable to very low- and low-income households. The Federal Low-Income Housing Tax Credit program is administered in North Carolina by the North Carolina Federal Tax Reform Allocation Committee and the North Carolina Housing Finance Agency.

### ***Relationship to the Consolidated Plan***

The Omnibus Budget Reconciliation Act of 1990 requires an annual Low-Income Housing Tax Credit Allocation Plan (the Plan). The Plan must include a description of project selection criteria, a description of the procedure to be used to notify the Internal Revenue Service of noncompliance with program requirements and a description of the Agency's compliance monitoring procedures. After public hearings on a Draft Plan, the Plan is presented to the North Carolina Federal Tax Reform Allocation Committee, chaired by the Secretary of the Department of Commerce, for its approval. The Plan then goes to the Governor for his approval.

The Consolidated Plan provides the policy framework for the development of the Plan. It analyzes housing market conditions, identifies housing needs, sets priorities and develops a five-year strategy and one-year action plan to meet the State's needs. The housing credit program is one of the key resources for meeting the State's low-income rental housing needs. Each year the Consolidated Plan will be reviewed for guidance in developing the Allocation Plan.

### ***Coordination***

The policies, priorities, plans for investment and the goals for families to be assisted identified in the Consolidated Plan will directly influence the key elements of the annual Allocation Plan, particularly the project selection criteria. The mechanisms for ensuring the coordination between the two documents are the State's Housing Coordination and Policy Council, the North Carolina Housing Finance Agency Board of Directors and staff of the Agency and the Governor of North Carolina.

The Housing Coordination and Policy Council is comprised of representatives from key State agencies with housing-related responsibilities. The Agency's Board of Directors contains representatives of the housing industry, including lenders, realtors and homebuilders, and a community planner. The Agency staff develops both the housing components of the Consolidated Plan and the Allocation Plan and staffs both the Housing Coordination and Policy Council and the Agency Board, helping ensure coordination between these policy-making bodies.

The Housing Coordination and Policy Council and Board of Directors of the Agency both review and comment on the Consolidated Plan as well as on the Allocation Plan. The Board also reviews and approves the Allocation Plan for submission to the Allocation Committee for its

approval. The final element of the coordination system is the Governor of North Carolina. He has the ultimate authority to approve both the Consolidated Plan and the Allocation Plan.

### **Lead-Based Paint Hazard Reduction**

Several actions have been identified for the reduction of lead-based paint hazards during the next five years. They are listed below by agency assigned to take the primary role for each action.

Title X of the Housing and Community Development Act of 1992 addresses the control of lead-based paint hazards in federally assisted housing. It also provides for consistency and quality control in evaluating and controlling lead hazards in all housing. States are required to develop training and certification programs for lead hazard control contractors and workers. The U.S. Environmental Protection Agency is required to establish hazard reduction standards, which include regulation defining lead-based paint hazards including dangerous levels of lead in household dust and bare soil.

Title X also required Occupation Safety and Health Act administrators to prepare interim Federal regulations, which were published in April 1993, to protect workers performing lead-based paint activities in residential housing as well as structural steel work. All U.S. Department of Housing and Urban Development housing programs must follow the new Lead Based Paint Requirements as of September 15, 2000. Lead hazard evaluation through risk assessment, visual assessment or paint testing, and lead hazard reduction through interim controls or abatement are required.

#### ***Department of Health and Human Services***

- With the receipt of a \$300,000 grant from the Environmental Protection Agency since 1994, continue to develop a program for the certification of lead abatement contractors, supervisors, and workers.
- Continue to track at-risk areas and specific homes, blood lead screening and follow-up for children, and community education.
- Continue with the implementation of the new Lead Based Paint Preventive Maintenance Program, which evolved out of the state legislation focusing on the control of childhood lead exposure from 1997. This program promotes lead safe housing for property owners, lead safe work practices and the cleaning and clearance to remove lead contamination, as well as home intervention and intervention through medical facilities.

#### ***Department of Commerce***

- Provide a lead-based paint program manager to administer the \$4 million grant.
- Coordinate education and training for Community Development Block Grant grantees and rehabilitation contractors.

### ***North Carolina Housing Finance Agency***

- Continue to operate our Lead Abatement Program to assist low-income homeowners with a lead-poisoned child in the home. Funding will be provided for lead abatement and comprehensive rehabilitation.
- Develop new guidelines policy, consistent with HOME regulations, to govern single-family rehabilitation activities using HOME funds.
- In cooperation with HUD, the Commerce Department, the Division of Health and Human Services and statewide training associations, provide training to local rehabilitation specialists, community development officers, rehabilitation contractors and workers. Training will be tailored to roles designed to lead to certification.

## **Community Development Strategy**

### **Introduction**

Community development strategies for North Carolina build on the overall goals of the consolidated plan as well as the strategic plan for the North Carolina Department of Commerce. These strategies are designed to build stronger communities, create jobs through sustainable economic development and to target resources to distressed areas. The State's priority strategies are described below.

### **Build Stronger Communities**

#### ***Comprehensive Neighborhood Revitalization***

Comprehensive approaches to community development integrate economic, physical, environmental, and human development in a coordinated fashion, responding to the total needs in a community. Comprehensive neighborhood revitalization involves an ongoing process of expanding, rehabilitating, and maintaining affordable housing, and improving public facilities, resources, and services. At a municipal, county, or regional level, this may entail multi-year plans to identify priority areas and strategies to improve the quality of the physical, social, economic and housing conditions in those areas.

The goals of comprehensive neighborhood revitalization include:

- Strengthening partnerships among all levels of government and the private sector, including for-profit and non-profit organizations
- Extending the useful life of existing housing and expanding affordable homeownership opportunities
- Improving community infrastructure and eliminating environmental hazards
- Expanding access to community services for residents who need them
- Increasing economic opportunities that enable neighborhood residents to help themselves.

Strategic actions to support comprehensive neighborhood revitalization include:

- By 2001, design and implement a comprehensive revitalization program that addresses high poverty needs in Tier 1/Tier 2 Counties and non-entitlement State Development Zones.
- By 2002, develop a downtown revitalization program.
- By 2002, develop specific criteria/policies to address home maintenance and economic literacy training in projects receiving CDBG assistance.

- Continue to convene forums of non-profit organizations, lenders, foundations, local governments and others interested in enhancing the practice of collaborative community, neighborhood revitalization in North Carolina.

### ***Water and Waste Water Infrastructure***

Water and wastewater needs in the state are tremendous. As outlined in the Community Development needs section of this plan, infrastructure continues to be a challenge faced by our local governments. For the next five years, the focus is to provide access to infrastructure by low and moderate-income families and eliminate health and environmental risks, to meet clean water standards, to meet the water/wastewater goals from the Rural Prosperity Task Force.

Specifically:

- The CDBG program will support infrastructure projects for low-income neighborhoods experiencing environmental health problems with an emphasis on Tier 1 and Tier 2 Counties. By 2003, each Tier 1 and Tier 2 County will be visited about the Infrastructure program including how to access, program requirements, and funding levels.
- As the lead entity, the Department of Commerce will utilize an interagency committee to coordinate review of requests from communities that seek state or federal funds. This mechanism should include all agencies in the state that provide funding for infrastructure, at both federal and state levels.
- By 2003, each county severely impacted by Hurricane Floyd will be visited about the CDBG Infrastructure program.
- By 2001, develop and implement a water/sewer connections demonstration for low and moderate-income households.

### **Community Capacity Building**

In an effort to promote the best community development practices at the local level, an emphasis will be placed on community capacity building. The Division of Community Assistance (DCA) will allocate resources over the next five years to helping communities develop its capacity to develop and implement excellent CDBG projects through marketing and outreach as well as direct technical assistance.

Specific goals are:

- By 2005, fund 20 Capacity Building projects in Tier 1/ Tier 2 counties and non-entitlement State Development Zones.
- By 2005, develop and implement a CDBG Certification program for local government staff and administrators.

- By 2005, managers of 80% of all NC Small Cities-eligible communities will be familiar with state's CDBG program. An initial survey will be conducted by the end of 2001 to establish a baseline. By 2005, a follow-up assessment will be done to gauge overall knowledge.
- By 2002, re-design the Annual Performance Report document to capture more specific community development data.

### ***Sound Growth***

Fostering and promoting best practices that help local communities take advantage of growth and prosperity while maintaining and enhancing the quality of life of citizens as well as protecting community character is an important Community Development Strategy. Over the next five years the overall goal is to support sound growth by making investments that avoid sprawl and are consistent with local growth plans.

Specifically:

- By 2001, develop specific rating criteria for relevant program categories that enhance sound growth and advance the Million Acre Open Space Initiative.
- During 2001, design and test methods to stimulate investment in distressed downtowns, building on opportunities in North Carolina Main Streets.
- By 2002, evaluate the impacts of funding decisions against smart growth principles and adjust program guidelines.

### **Job-Creation through Economic Development Grants and Loans**

Jobs sustain families and build communities, both in the incomes and self worth they produce for individuals and the stability and growth they generate for the community and its surrounding region. Motivated by this principle, since 1982 the state has devoted twenty per cent of the Small Cities CDBG allocation to economic development purposes. Primarily this has been used to fund grants and loans to local governments and businesses that create new job opportunities.

***CDBG Grants and Loans*** A commitment to direct the benefit of these jobs to low and moderate-income persons is required of all projects funded through the CDBG program. Benefit is demonstrated via jobs created or retained as a direct result of CDBG funding. Working through local governments, local economic developers, regional economic development partnerships, and Commerce Department field staff, CDBG funds will be used to attract successful companies that are willing to commit to specific job creation goals. Toward this end local governments may seek assistance to extend utilities or otherwise expand infrastructure to serve industrial facilities.

A portion of CDBG funds will be set-aside for loans to assist companies when need for below-market rates or terms can be documented. Such loan projects are aimed at supporting new industrial facilities or expansions that will create job opportunities by enhancing private lending risks, or closing “gaps” in financing for these projects. Private bank participation of a least 50% of the loan is required for projects involving CDBG funds.

***Section 108-guaranteed Loans*** Using the state’s CDBG allocation to leverage additional funds under the federal Section 108 loan guarantee program, the Commerce Department will develop and implement an additional loan program for local economic development projects that can sustain debt service. In June 1995 the North Carolina General Assembly adopted enabling legislation (Senate Bill 300) containing underwriting requirements and provisions to protect local and state government from financial exposure to defaults. A key initial concept is to develop a Section 108-backed loan pool from which local projects can be funded on much the same basis as loans are currently made from CDBG funds. Larger economic development projects can also be funded through use of Section 108 guaranteed loans. As with all CDBG funding for economic development ventures, the main purpose is to create new jobs for lower income residents.

### ***Job Creation Through Micro-enterprise***

Initiated in 1994, assistance is provided for very small companies (five employees or less) through locally operated Micro-enterprise loan programs. The CDBG-funded Micro-enterprise program will continue to operate on the same basis in 2001.

### ***Work First Initiative***

Continue to implement policies and incentives for businesses to hire and retain people emerging from welfare under the State’s Work First program.

### ***Coordination***

CDBG funds are but one part of the state’s larger job-creation strategy. Other tools include the William S. Lee Act Tax Credit Program, the Governor’s Industrial Competitiveness Fund, the Building Renovation fund, and Industrial Revenue Bonds. The Commerce Department will coordinate the use of these economic development tools through a project finance committee. This committee will assure consistency in funding decisions, appropriate targeting of resources to meet state policy objectives, and maximum leverage of private resources with public investments.



### ***Targeting Distressed Areas***

The Community Development Block Grant funds will continue to focus on distressed areas, defined as Tier 1, Tier 2 or State Development Zones. This is consistent with the goal of the Comprehensive Strategic Economic Development Plan to direct resources to less wealthy areas of the state.

## **Fair Housing Plan**

North Carolinians face a broad range of Fair Housing Issues as identified in the Analysis of Impediments (p. 83-85). Attached below are strategies identified by State Agencies they plan to use in order to counteract impediments to fair housing in North Carolina over the next five years. Some strategies are specific to particular divisions in each department; those divisions responsible for specific actions are found in parentheses.

### **Department of Administration**

- Continue to provide effective enforcement of Fair Housing Laws.
- Continue to work with other governmental and nonprofit agencies to develop programs to alleviate discrimination and further Fair Housing.
- Develop print and media campaign to provide education and outreach to a variety of groups on the Fair Housing law.
- Continue to provide technical assistance to the professional real estate community, attorneys, architects, builders and developers. (NC Human Relations Commission)
- Continue to serve as a conduit, making client referrals to appropriate Fair Housing agencies. (Governor's Advocacy Council, Hispanic Council, Commission on Indian Affairs)
- Provide fair housing information and counseling through tribal network. (Commission on Indian Affairs)
- Provide fair housing training to Native American Community Development Corporations and Indian Public Housing Authorities (Commission on Indian Affairs)

### **Department of Commerce – Division of Community Assistance**

- Implement strategies, concentrating on increasing local activities to identify and reduce barriers to fair and affordable housing in all localities receiving CDBG funding.
- Insure that all housing related disaster funds are used in a manner that affirmatively furthers fair housing choice for all members of the affected communities.

### **Department of Health and Human Services**

- Review existing state law (N.C.G.S. 168-Article 3), local land use and zoning regulations and their impact on the Fair Housing rights of persons with disabilities. Make recommendations for changes to remove barriers to both Olmstead implementation and the expansion of accessible community based housing for persons with disabilities.
- Provide clients and providers with fair housing information and training.
- Continue to be involved in the revision process of the NC Building Code with special emphasis on accessible housing in North Carolina. (Division of Vocational Rehabilitation)

- Continue Elder Rights Initiatives, including training and educational efforts related to Fair Housing for consumers, aging advocates and housing providers. (Division of Aging)
- Determine the need for more multi-generational housing developments and submit for inclusion in future consolidated planning documents. (Division of Aging)
- Provide on going consultation on Fair Housing issues for consumers whether they are tenants in projects supported by MH funding, publicly-assisted units or in the private market. (Division of Mental Health, Developmental Disabilities and Substance Abuse Services)
- The division's cross-sectional Housing Working Group and Housing Works will organize a series of regional trainings. Topics will include Fair Housing and its meaning for persons with disabilities. (Division of Mental Health, Developmental Disabilities and Substance Abuse Services)
- Continue to expand the tenant-based rental assistance program, which is designed to increase housing choice for low-income persons with AIDS and their families. (AIDS Care Branch)

#### **North Carolina Housing Finance Agency**

- Continue distribution of Elderly Housing Rights and Consumer Protection Program information brochures on such topics as Fair Housing is the Law, You Deserve a Safe and Decent Place to Live, What to Do if Your Landlord Threatens to Evict You and What You Need to Know About Security Deposits.
- Continue to publish a Spanish translation of Mortgage Revenue Bond(MRB) and Mortgage Credit Certificate(MCC) program brochures.
- Continue to provide a toll-free telephone number for individuals to access MRB and MCC program information.
- Continue to provide Fair Housing training at Tax Credit Compliance and Service Coordinator Workshops.
- All affordable rental housing financed by the Agency is required to develop and implement Affirmative Fair Housing Marketing Plans. These plans are reviewed for effectiveness and proper implementation by the Agency.

## **Anti-Poverty Strategy**

**Division of Community Assistance, Department of Commerce:** The Revitalization Strategies Program will provide long-term funding to Tier 1 and Tier 2 counties and non-entitlement State Development zones to address multiple needs. In the Economic Development category, additional CDBG funding per job is allowed for projects that propose to hire participants in the NC Work First program. In the Housing Development category, Individual Development Accounts (IDAs) provide down payment and closing cost assistance to eligible first-time homebuyers who also agree to complete financial literacy training as well as meet monthly savings goals.

**Office of Economic Opportunity:** The Agency will continue working as a partner with the North Carolina Department of Health and Human Services “Success for Families at Risk” Initiative, which is designed to assist hard to serve TANF recipients achieve self-sufficiency. The Office will serve as a member of the North Carolina Workforce Development Team 2000, which coordinates employment and training opportunities across the State.

**General:** Although each agency, including nonprofit providers, Community Action Programs, Social Services, Human Services, Health Labor Education, NCDCA, NCHFA, Homeless Consortiums and others is individually doing its part to combat poverty, the process has not been formally evaluated and implemented. Currently, the system does not have a network or formal group that contains all the pertinent players for the development of this type of strategy. As the State Consolidated Planning process continues to develop over the next five years, we will ask key players who assist the very low-income population in North Carolina to form an advisory group that will make recommendations of policies that will help combat poverty.

## Institutional Structure, Strength, Weaknesses, and Opportunities for the Future

HOUSING DELIVERY SYSTEM IN NORTH CAROLINA			
PUBLIC - STATE AGENCIES	STRENGTHS	WEAKNESSES	
<b>Department of Commerce</b>			
Division of Community Assistance	Substantial experience with federal grant programs Productive housing programs Regional offices Experienced grants management staff	Small community development staff relative to work load Inadequate administrative funds for CDBG program	Partner on ea Oppc hous Addr deve Focu prom dispc Givin comp hous regul
<b>Office of the Governor</b>			
North Carolina Housing Finance Agency	Single purpose housing agency Flexible financing resources Technical expertise and knowledge of staff and Board of Directors Diverse group of programs that have operated successfully	Shortage of discretionary capital Unpredictable funding levels hinder program planning	Oppc affor of no Provi build Propo inclu expar

HOUSING DELIVERY SYSTEM IN NORTH CAROLINA (Continued)			
PUBLIC - STATE AGENCIES	STRENGTHS	WEAKNESSES	
<b>Department of Health and Human Services</b>			
Division of Aging	Strong working relationships with N.C. Area Agencies on Aging, local aging service Providers and other agencies and organizations	Limited staff and resources available for housing programs	Ad for Co ho
Office of Economic Opportunity	Overall and service-related homeless assistance coordination responsibility Collaborative mechanism in place to disseminate information on supportive services available to homeless population across the state Ability to make recommendations to policy making bodies relative to the needs of the homeless	Lack of resources to undertake comprehensive needs assessment/homeless count Inadequate number of staff to handle work load of Emergency Shelter Grants Program and Interagency Council for Coordinating Homeless Programs (ICCHP) Inadequate administrative funds for ESG Program.	Co po Pr as: pro Co an: ho
Division of Mental Health, Developmental Disabilities and Substance Abuse Services	Network of services covering all 100 counties Strong interest in and philosophy that encourages housing development	Limited technical knowledge about housing development as opposed to services Lack of thorough housing needs assessment, particularly for substance abuse populations	Ad Op for tec ho
Division of Vocational Rehabilitation Services	Seeks to adapt the environment to the individual, rather than vice versa		Op sec the

Department of Administration			
North Carolina Human Relations Commission	The agency has an experienced staff with a track record of vigorous enforcement of the State Fair Housing Act, effective outreach to housing consumers and accurate technical assistance to housing providers and governmental agencies	The staff is overloaded with an increasing demand for assistance, caseload and changing HUD standards for case processing	Re gad co for an
N.C. Commission of Indian Affairs	Staff attends the quarterly workshop training sessions by the N.C. Southeastern Regional Section 8 Housing Assoc. to keep abreast of changes in HUD requirements for the Section 8 Housing Program Operation	The program covers seven (7) counties servicing 910 families The program operation is not computerized	Wo Se co
Council on Women	Develop and coordinate services in existing domestic violence agencies Administration of grants made to local agencies Provide counseling for victims Regional offices Referral network to link victims to other service providers	State staff is small in comparison to number of agencies across state to be served	Pro of As act De sh Pro ple

## **Program Coordination and Collaboration**

The issue of coordination has become more important as state and local housing and community development responsibilities grow through devolution. The state has several housing and community development policy and coordination bodies including the Housing Coordination and Policy Council, the Interagency Council for Coordinating Homeless Programs, the North Carolina Housing Partnership, the Community Development Council and the Economic Development Board.

The Housing Coordination and Policy Council is the main vehicle for coordinating the states housing efforts. The HCPC is a 15 member advisory group that was created by state statute in 1989 to strengthen cooperation among the state's housing finance and housing service providers. The council includes: the AIDS Care Branch, Commission of Indian Affairs, Department of Commerce, Division of Aging, Division of Mental Health/Developmental Disabilities/and Substance Abuse Services, Governor's Advocacy Council for Persons with Disabilities, North Carolina Housing Finance Agency, North Carolina Human Relations Commission and Office of Economic Opportunity. In addition other nonprofit organizations and state agencies serve as resource members to broaden the representation of the council.

The HCPC meets quarterly and provides an opportunity to discuss both larger policy issues (e.g., welfare reform, smart growth) and more specific program coordination issues (e.g., how agency programs can work together to implement Hurricane Floyd recovery efforts). G.S. 122A-5.12 requires an annual report of activities to be filed with the Governor and the General Assembly.



## **Monitoring Standards**

### **HOME**

The administration of HOME funds by the State of North Carolina is carried out in accordance with all relevant statutory and non-statutory rules and regulations. The State monitors all HOME recipients to ensure full compliance with program requirements. Monitoring procedures vary under the HOME Program by eligible activity.

In all cases, on-site visits are used to provide technical assistance to recipients on compliance and program administration issues. Issues of compliance are also addressed during the application phase where site and application reviews allow staff to identify ineligible projects and uses of funds.

#### *Home Ownership*

Under the Affordable Home Ownership Program (Lender-based AHOP), each home buyer's transaction is monitored prior to the loan closing to insure full eligibility. These transactions must undergo a full underwriting prior to loan approval. HOME loans are assigned to the North Carolina Housing Finance Agency. For these loans, Agency loan servicing staff monitor the loan throughout its term for compliance with repayment and resale requirements and restrictions.

#### *Rental Production*

These funds are typically loaned to nonprofit and for-profit developers in conjunction with an award of Housing Credits. Cost certifications are received prior to permanent loan closing and reviewed by Agency staff. In addition, Agency staff make annual on-site monitoring visits to check for on-going compliance with project management, tenant eligibility, fair housing rules and other program requirements.

#### *Housing Rehabilitation*

All draw requests are reviewed by Agency staff prior to release of funds. Annual reports and comprehensive completion reports are also required and reviewed by Agency staff. On-site monitoring and technical assistance visits are made to all recipients. These monitoring visits focus on compliance with all relevant state and federal regulations. In addition, staff visits are designed to help improve project efficiency and to ensure uniformly appropriate and high quality rehabilitation work.

## *General Compliance*

Program officers assigned to individual projects are responsible for monitoring on-going compliance with Environmental Review, Davis Bacon, and fair housing requirements as well as specific program requirements and the certifications contained within this plan.

### **ESG**

All ESG grantees are required to submit mid-year and annual performance reports to the Office of Economic Opportunity. These performance reports detail the unduplicated number and characteristics of clients served by grantees during the respective reporting period. They also provide OEO with information regarding the causes of homelessness reported by program clients and, if applicable, the types of services delivered to clients by grantees. Program staff review all submitted reports for accuracy and compile the data into mid-year and end-of-the year reports. These reports are distributed to ESG grantees, the North Carolina State Office of the Department of Housing and Urban Development, members of the Interagency Council for Coordinating Homeless Programs (ICCHP), the NC Department of Health and Human Services, and, upon request, to other state agencies, nonprofit organizations and the general public.

Program staff respond to grantee inquiries throughout the year through written correspondence and through telephone and email communication. On-site monitoring visits are conducted by program staff to selected grantees throughout the program year. During these visits grantee program operations are observed and facilities are toured. Records of program expenditures are reviewed to determine that all funds have been spent according to the budget approved by OEO. Client files are examined to assure that eligible persons are being served and that one or more essential services are being provided to clients as required by program regulations. Grantee bylaws, board minutes, and personnel policies are also reviewed to assure that the grantee is operating properly and in compliance with all federal regulations. The program plans to monitor no less than 10% of ESG grantees each year.

### **CDBG**

The Division of Community Assistance is responsible for insuring that grantees under the CDBG Program are carrying out their projects in accordance with Federal and State statutory and regulatory requirements set forth in the grant contract executed between the State and the grantee. The Division of Community Assistance will provide maximum feasible delegation of responsibility and authority to grantees under the CDBG Program. This is especially true within the new Scattered Site Housing Program. The Division's monitoring of CDBG grantees will be conducted in a positive, assistance-oriented manner. Whenever possible, deficiencies will be rectified through constructive discussion, negotiation and assistance, and in a manner which preserves local discretion.

The Division of Community Assistance will conduct two basic types of monitoring: off-site, or “desk” monitoring, and onsite monitoring. Desk monitoring is an ongoing process in which the grant representative responsible for overseeing the grantee’s project uses all available information to review the grantee’s performance in carrying out the approved project. Onsite monitoring is a structured review conducted by the project administrator at the location where project activities are being carried out and/or where project records are being maintained. Checklists are utilized to ensure that all issues are addressed. Documentation is gathered in order to support our conclusions in response to the grantee. The number of times a project is monitored varies upon the issues that arise during the desk and onsite monitoring.

## **HOPWA**

The AIDS Care Unit monitors The HOPWA Program to ensure that funds are expended appropriately and that sufficient development is made toward achieving desired goals and objectives by the providers.

Monitoring is an ongoing process and is included in each activity. The amount of financial and programmatic monitoring, and the techniques used are listed below:

- Review provider progress reports semi-annually
- Perform site visits to review financial and programmatic records
- Observe operations of the program
- Review monthly submission of expenditure reports and supporting documents
- Conduct training sessions for providers
- Ensure recurrent communication through quarterly planning meetings and telephone calls
- Review program audit results and audit findings
- Conduct special monitoring based on exceptional situations as they arise.

Monitoring information on each provider is documented in writing and maintained in designated files.

## **Appendix A - Results from Public Workshops**

The following tables are the results from the public workshops that were held in July 2000 in the cities of Asheville, Asheboro, and Tarboro. Through an interactive process, participants in each workshop session identified the needs they foresaw within the next five years concerning either Rehabilitation, Special Needs/Supportive Housing, Rental Housing, Home Ownership or Community Development. The audience then indicated the obstacles that they thought prevented meeting those needs identified in the first portion of the workshop. The tables are broken down by need or obstacle for each city. Note: The column headings on the second row for each table were named by the audience to fully describe and encompass the needs or obstacles below the heading.

## **Appendix B - Public Comments and Agency Responses**

### ***DCA's Responses to Public Comments on the Consolidated Plan***

**Comment:** The Revitalization Strategies program should be piloted in the three state regions. Too much time will pass with the way the project is currently scheduled to be developed.

**Response:** DCA is considering selecting some revitalization strategy applicants as pilots, based on the level and quality of interest.

**Comment:** More funds should be set-aside to assist individuals with homeownership.

**Response:** The highest incidence of housing problems occurs among very low-income renters (below 30%-50% of median family income). Therefore, a significant share of funding resources is allocated to this group. Other resources including Mortgage Revenue Bond, Mortgage Credit Certificates, Second Mortgages and Individual Development Account programs that can support first-time homeownership.

**Comment:** State CDBG funds should be made available for downtown redevelopment.

**Response:** While CDBG funds are currently not specifically available for downtown redevelopment, a local government that is awarded a Revitalization Strategy Grant can use some of these flexible resources for a variety of purposes, including downtown revitalization, as long as it is in the context of a comprehensive strategy. There also has been some discussion of developing a program that targets deteriorating downtowns, but such a program will not be available for at least another year.

**Comment:** More state dollars should be used for special needs housing.

**Response:** Special needs housing is eligible under HOME and CDBG Housing Development. The HOME-funded programs give special consideration in the application rating system for these type projects.

**Comment:** The state's top priority should be housing for extremely low-income people with special needs.

**Response:** The 2001-2005 Consolidated Plan has identified non-homeless persons with special needs 0-30% and 31-50% of median family income as a high priority.

**Comment:** CDBG Capacity Building funds should continue to be funded through a specific set-aside/category.

**Response:** Beginning in 2001, CDBG Capacity Building funds will remain an eligible activity and will be available across all funding categories.

**Comment:** The state should provide funds to assist local municipalities with the removal of derelict vacant structures.

**Response:** In the CDBG Concentrated Needs program, funds can be used in the local option for the removal of vacant structures. Localities that receive a Revitalization Strategy Grant, may include the removal of derelict vacant structures to improve high-poverty neighborhoods.

**Comment:** There is a concern with 2001 Scattered Site Housing funds only being available to county governments.

**Response:** Although the county government is the lead applicant, any interested municipality within the county can also participate. Each county along with the interested municipalities are to submit a detailed distribution plan on how funds are to be allocated in the county.

**Comment:** The state should coordinate more with USDA Rural Development in order to spread funds and help more people.

**Response:** There is an on-going effort to coordinate better with other programs so that more people can be served, other investments can be leveraged, and more state and federal dollars can be spread across the state.

#### ***NCHFA's Responses to Public Comments on the Consolidated Plan***

**Comment:** There was a concern that Urgent Needs/Contingencies funding would not address emergency housing repairs for the elderly and the handicapped.

**Response:** NCHFA's Urgent Repair Program funds ADA improvements including grab bars and ramps. Local governments and nonprofit organizations are eligible applicants.

**Comment:** The state should use rental assistance for project-based assistance or an operating subsidy as opposed to being strictly tenant-based.

**Response:** The source of funding the Agency currently has for new rental assistance (federal HOME funds) does not permit project-based assistance. HOME funds can only be used for tenant-based rental assistance and then the rental assistance contracts are limited to two-years (although they may be renewed based on the availability of future HOME funds). The Housing Trust Fund statute currently prohibits the Trust Fund from being used for any type of rental assistance. The Agency does administer project-based rental assistance contracts for over 3500 units, mainly through the Section 8 program. The units provide an important resource for very low-income renters.

**Comment:** There is a concern that the Tax Credit and Rental Production Programs would be unable to actually provide assistance to persons below 30% of MFI.

**Response:** We agree that it is difficult to serve people below 30% of MFI with these resources. However with the addition of the new state tax credit it is now possible to finance developments entirely with equity and no debt service. With a small percentage (e.g., 10%) of units in a development reserved for households below 30% of MFI and rent skewing, it may be possible to serve this population in some markets. Another approach to serving renters below 30% of MFI is to partner with organizations that have rental assistance. The Agency works with PHAs that are willing to convert tenant-based rental assistance to project-based assistance for tax credit developments. We also work actively with Rural Development to leverage rental assistance for tax credit developments through the Section 515 program. The Agency has also provided supplemental funding to make HUD's Section 811 projects possible in the state. Finally, the Agency is participating in HUD's Mark-to-Market program to preserve rental developments in North Carolina that have project-based assistance.

**Comment:** There was a concern that minimum income requirements can exclude renters from tenant-based rental assistance on tax credit properties.

**Response:** The Tax Code prohibits discrimination against Section 8 tenants based on the fact that they hold a certificate or voucher. It is Agency policy that, while owners may have minimum income requirements, those requirements cannot be used to exclude certificate and voucher holders. Rather the owners must count the value of the rental assistance when calculating the income-to-rent ratio. This is an issue that the Agency's staff monitors when doing tax credit project compliance monitoring. And under the new IRS monitoring regulations owners must certify annually that they have not discriminated against Section 8 tenants.

**Comment:** The lack of a local match and rental assistance or operating subsidies for debt service with the Supported Housing Development Program makes it difficult for extremely low income persons to use.

**Response:** This program is funded through the Housing Trust Fund because of the increased flexibility of the Trust Fund. Generally, the funds are loaned because that is what the Trust Fund statute requires. When grant funds are available (e.g., Oil Overcharge funds) grants are made to projects through forgivable, deferred payment loans. Also, as mentioned above, the resources available to the Agency do not permit project-based rental assistance or operating subsidies. While the program does not provide all of the funding needed to develop and operate a project, it almost exclusively serves individuals and households below 30% of median income. Also, it is not an objective of the Trust Fund to provide 100% financing for housing developments. In fact, one of the statutory objectives of the Fund is to leverage other investment.

**Comment:** There was concern that no HOME money will be targeted at housing production for the extremely low-income individuals.

**Response:** The statement that no HOME funds will be allocated to housing production for the highest priority needs over the next five years is not correct. Based on the data in the five year strategic plan, 69% of the HOME funds will be allocated to activities that benefit households with the highest priority needs, and 81% of that amount is allocated specifically to rental production for renters below 50% of MFI. In addition, 20% of the HOME funds are allocated to activities serving medium priority needs (assisting renters 51-80% of MFI through first time homebuyer programs). Only 11% of HOME funds will be allocated to activities benefiting lower priority needs (assisting existing homeowners 51-80% of MFI through housing rehabilitation).



## **Appendix C – Recommendations by the CDPC**

Based upon some of the recommendations by the Community Development Partners Committee, some division programs have been changed to better meet the needs of the citizens of North Carolina. (See 2001 Action Plan for more detail). Some of those changes are highlighted below.

- Removing Community Empowerment as a Category and replacing it with a Revitalization Strategies Funding.
- Creating the Revitalization Strategies Category will allow maximum local flexibility so that communities can address their specific needs, as long as they are within HUD-eligible activities
- Infrastructure should be consistent with local and state planning initiatives, in particular those that promote smart growth policies
- Creating and allocating Infrastructure Funds to a Water/Wastewater Demo, which would allow LMI persons to connect to existing water/sewer systems.
- Reinstating the micro-enterprise demo as a sub-category in the Economic Development Program
- Making multi-family units a priority in the Housing Development Category
- Capacity Building funds are now available under any grant category.
- Making the Scattered Site Category non-competitive and available to all counties on a cyclical basis every three years, so as to get more funds to places which historically have gotten less in the past
- A more concerted effort of technical assistance from DCA and other sources

## **Appendix D - Other Funding Opportunities**

### **Federal Resources**

**Community Services Block Grant (CSBG):** This program is funded by the U.S. Department of Health and Human Services and administered by the Office of Economic Opportunity in the North Carolina Department of Health and Human Services. It awards funds to community action agencies and limited purpose agencies on a formula basis for anti-poverty activities including eviction and foreclosure prevention. Contact: Office of Economic Opportunity, 2013 Mail Service Center, Raleigh, NC (919) 715-5850

**Comprehensive Grant Program:** This formula-based grant program is available to public and Indian housing authorities with 250 or more units. The grants can be used for improvements such as upgrading living conditions, correcting physical deficiencies, and achieving operating efficiency. Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (910) 547-4000.

**Federal Emergency Management Agency (FEMA):** Through local and regional governments and nonprofit organizations, the Federal Emergency Management Agency administers funds for and provides emergency food and shelter in disaster areas.

**Farmers Home Administration (FmHA):** See Rural Economic and Community Development.

**Heating and Air Appliance Repair and Replacement (HAARRP):** This program, administered by the Department of Commerce, Energy Division, is funded by the U.S. Department of Health and Human Services through the LIHEAP Block Grant. Funds are directed to local community action agencies and other non-profit agencies to replace or repair inefficient or unsafe heating systems for low-income elderly, handicapped and low-income families with small children whose incomes do not exceed 150% of poverty level. Contact: Office of Economic Opportunity, 2013 Mail Service Center, Raleigh, NC 27699, (919) 715.5850.

**Home Equity Conversion Mortgage (HECM):** This program provides older home owners an opportunity vehicle to convert equity in their homes to cash by providing reverse mortgages designed by the U.S. Department of Housing and Urban Development and insured by the Federal Home Administration. Borrowers must be at least 62 years old and must participate in a mortgage counseling program offered by an approved reverse mortgage counselor. In North Carolina, counselors are certified by the North Carolina Housing Finance Agency. Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (910) 547-4000, American Association of Retired Persons (AARP), Home Equity Information Center, 601 E Street, NW, Washington, DC 20049, or the North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27609, (919) 877-5700.

**Independent Living Rehabilitation Program (ILRP):** Administered by the North Carolina Division of Vocational Rehabilitation Services, this program is funded by the U.S. Department of Education (Title VII, Part A) and general appropriations from the State of North Carolina. At least a 10 percent state match is required. Funds are awarded to contractors providing the services for the client. Contractors are reimbursed for attendant care services purchased. Eligible activities include supportive services and housing/rehabilitation activities for persons with a severe disability. Contact: Division of Vocational Rehabilitation Services, 805 Ruggles Drive, Raleigh, NC 27603, (919) 733-3364.

**Lead-Based Paint Abatement Program:** This is a grant program to develop cost-effective community strategies for lead-based paint assessment and abatement. Funds can be used for rehabilitation, planning and operating costs. Grants are awarded competitively and funds must be matched. Any jurisdiction with an approved Consolidated Plan is eligible to apply for this funding. Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (910) 547-4000.

**Low-Income Housing Preservation Program:** This program offers financial incentives to retain as low-income housing rental housing whose owners may be eligible to prepay federally insured mortgages and discontinue low-income occupancy. Eligible applicants are owners of low-income housing, lead regional organizations, nonprofit organizations, state or local agencies, or any entity that agrees to maintain low-income affordability restrictions. Grants are awarded competitively. Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (910) 547-4000.

**Federal and State Housing Credit Programs:** Funded by federal and state income tax credits and administered by the North Carolina Housing Finance Agency and the North Carolina Federal Tax Reform Allocation Committee, this program funds new rental production and substantial rehabilitation projects to benefit low-income renter households. Funds are awarded to for-profit and nonprofit developers of low-income rental housing. Contact: North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27611, (919) 877-5700.

**Lower-Income Rental Assistance - Section 8 (Section 8):** Funded by the U.S. Department of Housing and Urban Development, this program assists low- and very low-income families in obtaining decent, safe and sanitary housing in private accommodations. Program funds make up the difference between what a low- and very low-income household can afford and the approved rent for an adequate housing unit. Assistance is generally administered by public housing authorities, Indian housing authorities, and political subdivisions of government. Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (910) 547-4000 or your local Public Housing Authority.

**Moderate Rehabilitation Program for Single Room Occupancy:** This funding provides rental assistance on behalf of homeless individuals in connection with the moderate rehabilitation of Single Room Occupancy dwellings. Resources to fund the cost of rehabilitating the dwellings must be from other sources. Funding can be used for operating expenses, debt service for rehabilitation financing, and monthly rental assistance. Eligible applicants are Public and Indian Housing Authorities and private nonprofit organizations. Grants are awarded competitively based on need and ability to undertake a Single Room Occupancy program through a nationwide competition.

**Mortgage Insurance:** Several mortgage insurance programs are available through federal government programs generally administered by the Federal Housing Administration. Examples are One-to-four Family Home Mortgage Insurance, Rehabilitation Mortgage Insurance, Property Improvement Loan Insurance, Mortgage Insurance for Housing for the elderly, and Mortgage Insurance for Single Room Occupancy Projects. Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (336) 547-4000.

**Multifamily Subsidized Program:** Funded by the federal Section 8 Rental Assistance Program. This program provides project-based rental assistance and is administered by the North Carolina Housing Finance Agency. Construction and permanent financing must be obtained by the project developers. Program beneficiaries are tenants below 50 percent of area median income, and funds are awarded to rental project owners. Contact: North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27611, (919) 877-5700.

**Public Housing Comprehensive Improvement Assistance Program:** Eligible applicants are Public Housing Authorities and Indian Housing Authorities with less than 250 units in Fiscal Year 1993. Grants are awarded competitively and may be used for rehabilitation/finance capital improvement in public housing developments. Eligible activities include upgrading living conditions, correcting physical deficiencies and achieving operating efficiency. Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (336) 547-4000.

**Public Housing Development:** Public Housing Authorities and project sponsors serving residents earning below 50% of median family income apply to Public Housing Authorities for funding. Funding can be 100 percent development costs, annual contributions for operating subsidy, and modernization funds. Eligible activities include acquisition, rehabilitation, new construction, rental assistance, and support services. Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (336) 547-4000.

**Rental Certificates Program:** This program is administered by Public Housing Authorities for assistance to very low-income families. Rental assistance payments are provided to private owners who lease their units to assisted families. The assistance payments make up the difference between what a very low-income family can afford and the approved rent for the dwelling unit. Assisted families must pay toward rent the highest of 30 percent of adjusted income, 10 percent of gross income or the portion of welfare assistance designated for housing.

**Rental Certificates Program Project-Based Component:** Public Housing Authorities may opt to tie up to 15 percent of this funding to newly constructed or rehabilitated units. Rents must fall within the maximum rents for the area as determined by U.S. Department of Housing and Urban Development. Of the families selected for assistance, preference is given to those occupying substandard housing, who are involuntarily displaced, or who are paying more than half of their income for rent.

**Rental Voucher Program:** This program provides rental assistance payments to private owners who lease their units to assisted families. This program is administered by Public Housing Authorities and eligible applicants to the program must be very low-income (below 50 percent of median). The assistance payments make up the difference between what a very low-income family can afford and the approved rent for the dwelling unit. Assisted families must pay toward rent the higher of 30 percent of adjusted income or 10 percent of gross income. A rental voucher holder may choose housing that rents for more or less than the payment standard and therefore may pay more or less than 30 percent of adjusted income for rent.

**Rural Economic and Community Development (RECD formerly Farmers Home Administration):** Rural Economic and Community Development provides resources for the development and rehabilitation of affordable housing in rural areas. Contact: Rural Economic and Community Development, 4405 Bland Road, Raleigh, NC 27609, (919) 790-2731.

**Section 108 Loan Guarantee:** This program allows the use of Community Development Block Grant funds to guarantee loans for development. State and local entitlement jurisdictions are eligible. Eligible activities are acquisition, rehabilitation of publicly owned nonresidential property, housing rehabilitation, relocation, site improvements, interest payments on the guaranteed loan, issuance costs of public offerings, and debt service reserves.

**Section 8:** See Lower-Income Rental Assistance - Section 8

**Section 202:** See Supportive Housing for the Elderly - Section 202

**Section 811:** See Supportive Housing for Persons with Disabilities - Section 811

**Shelter Plus Care:** Awarded competitively, the U.S. Department of Housing and Urban Development criteria give priority for this funding to homeless needs. Support services must match rental assistance and must be provided by federal, state, local governments, or private resources. Eligible applicants are states, units of local government, Indian tribes and Public Housing Authorities. Grants are for rental assistance that is offered with support services to homeless with disabilities. Rental assistance can be Section 8 Moderate Rehabilitation, Sponsor-Based Rental Assistance, Tenant-Based Rental Assistance or Project-Based Rental Assistance. Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (336) 547-4000.

**Single Family Rehabilitation Program (SFR):** Administered by the North Carolina Housing Finance Agency, this program is funded with HOME Investment Partnerships Program and State HOME match funds. Funds are awarded to local governments and nonprofit organizations for housing rehabilitation projects to serve very low (30 percent of median), low (50 percent of median), and moderate-income (80 percent of median) households. Contact: North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27611, (919) 877-5700.

**Supportive Housing for Persons with Disabilities - Section 811 (Section 811):** Private nonprofit organizations are eligible applicants for these competitive grants, which are administered by the U.S. Department of Housing and Urban Development. This funding is available to expand housing with supportive services such as apartments and group homes. Two types of financing are available. Capital advances are based on the development cost limits published in the Federal Register. Project rental assistance covers the difference between the U.S. Department of Housing and Urban Development approved operating costs and 30 percent of residents' adjusted incomes. Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (336) 547-4000.

**Supportive Housing for the Elderly - Section 202 (Section 202):** There are two categories of funding available to private nonprofit and consumer cooperatives in this program. Capital advances to private nonprofit sponsors finance elderly housing that also offers supportive services. The non-interest bearing advances are based on development cost limits published periodically in the Federal Register. Project rental assistance covers only the difference between the U.S. Department of Housing and Urban Development approved cost per unit and the amount the resident pays. No money can go for debt service. Funds may be used for acquisition, rehabilitation, new construction, rental assistance, and support services. Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (336) 547-4000.

**Supportive Housing Program (SHP):** Funded by the U.S. Department of Housing and Urban Development, this program provides financing for housing and supportive services to develop community-based, long term housing and appropriate supportive services for homeless special needs persons to maximize their abilities to live independently in a permanent housing environment. Funds are awarded annually on a competitive basis to local governments and nonprofit organizations. (This program is a combination of the previous Supportive Housing Demonstration Program, Transitional Housing Program and Permanent Housing for the Handicapped Homeless.) Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (910) 547-4000.

**Surplus Housing for Use to Assist the Homeless:** Homeless organizations are eligible to apply for assistance under this program. These organizations lease suitable federal properties. They are responsible for operating and any rehabilitation and/or renovation costs. The U.S. Department of Housing and Urban Development publishes notices of availability in the Federal Register periodically. Contact: U.S. Department of Housing and Urban Development, 2306 West Meadowview Road, Greensboro, NC 27407, (910) 547-4000 or the Surplus Federal Real Property Program (800) 927-7588.

#### **USDA :**

**Section 502:** Administered by Rural Economic and Community Development county offices, this program finances the purchase, construction or rehabilitation of owner-occupied single-family homes. Eligible houses must be modest in cost, size and design, and can include mobile homes. Eligible applicants must meet low- or very low-income criteria.

**Section 504:** This emergency repair program is administered by Rural Economic and Community Development county offices and provides loans or grants to rural elderly or handicapped very low-income homeowners. Grants must be used for emergency repairs to water and sanitary sewer systems, wiring, structural supports, and roofs, emergency energy-conservation measures and replacement of severely deteriorated siding. Unlike grants, loans may be used for cosmetic repairs.

**Section 514 (Farm Labor Housing Loans) and 516 (Farm Labor Housing Grants):**

These programs are administered by Rural Economic and Community Development county offices and provide grant or loan financing to farm owners, family farm partnerships, family farm corporations, associations of farmers, nonprofits, Indian Tribes, or governmental entity for the development of housing for farm laborers. Grantees must contribute at least 10 percent of total development cost and show both pressing need for housing and the project's inability to support debt service.

**Section 515:** Administered by Rural Economic and Community Development district offices, this program provides financing for multifamily new construction, acquisition and rehabilitation. Currently funds are appropriated only for projects, which will operate on a limited profit or nonprofit basis. Loans are often used in conjunction with Low-income Housing Tax Credits.

**Section 533 (Housing Preservation Grants) (HPG):** This program is administered by Rural Economic and Community Development district offices and provides financing to state and local governments, Indian Tribes and nonprofit corporations for the rehabilitation of low- and very low-income housing. Eligible activities are rehabilitation of substandard water and sanitary waste disposal systems, wiring, roofs, and siding, energy conservation measures, structural repairs and room additions to alleviate overcrowding. Up to 25 percent may be used for cosmetic repairs like painting, paneling and carpeting.

**Veterans Administration Home Loan Program (VA):** The purpose of the Veterans Administration Home Loan Program is to help veterans finance the purchase of homes with favorable loan terms and at a rate of interest, which is usually lower than the rate charged on other types of mortgage loans. The Veterans Administration guarantees the loan for private lending institutions. Advantages gained by using the program include no down payment requirements and limited closing costs. Contact: NC Division of Veterans Affairs, 543 Federal Building, 251 North Main Street, Winston-Salem, NC 27155, (800) 827-1000.

**State Resources**

**Agency Rental Subsidy Program:** Administered by the North Carolina Housing Finance Agency and funded by interest earnings from state appropriations, this program benefits tenants in non-metro area rental projects who earn below 50 percent of area median income. Rental project owners are awarded funds and must obtain construction and permanent financing. Contact: North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27611, (919) 877-5700.



**Supported Living for Adults with Developmental Disabilities:** North Carolina provides continuation funding to Supported Living Services in 24 Area Programs and private non-profit Agencies to provide flexible funding to support people with developmental disabilities to live as independently as possible, maintaining access to community resources, and exercising consumer choice in where and with whom they live. This service may incorporate additional funding from other sources such as Residential Subsidy, CAP-MR/DD, Medicaid, etc. Contact: Community Capacity @ Developmental Disabilities Section, 3006 Mail Service Center, Raleigh, NC 27699-3006 (919) 733-4665

**Catalyst Loan Program:** Funded through interest earnings on state appropriations and administered by the North Carolina Housing Finance Agency, this is a predevelopment loan program to assist nonprofit organizations interested in developing Housing Credit projects and home ownership projects. Construction and permanent debt and equity financing must be provided for these rental housing production projects. Contact: North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27611, (919) 877-5700.

**Halfway Houses for Substance Abusers:** This program, housed in the Division of Mental Health, Developmental Disabilities and Substance Abuse Services in the Department of Human Resources and operated with funds authorized by the North Carolina General Assembly, offers supervised living arrangements for substance abusers. At least one house in each of the four mental health regions houses parolees and probationers with a substance abuse diagnosis, while other houses are available for other substance abusers. Funds are allocated to Area Mental Health Programs in which a facility is located for operational support. The Area Program may contract out services to a private vendor. Contact: Substance Abuse Services Section, 3007 Mail Service Center, Raleigh, NC 27699-3007, (919) 733-4671.

**Affordable Homeownership Program (AHOP):** Funded by the Housing Trust Fund and HOME Investment Partnerships Program and administered by the North Carolina Housing Finance Agency, this program provides deferred payment second mortgage loans of up to \$20,000 for the purchase of an existing, newly constructed, or substantially rehabilitated home. Loans are provided to first-time homebuyers through local governments, regional agencies, and nonprofit organizations. All assisted homebuyers must have incomes below 80% of area median income. Open application cycle runs through the third quarter. Contact: North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27611, (919) 877-5700.

**Mortgage Credit Certificate (MCC):** Administered by the North Carolina Housing Finance Agency, this program is funded by conversion of tax-exempt bond authority to federal income credits. Program beneficiaries are assisted with the purchase of a new or existing home by granting them an additional tax credit on their federal income taxes. Beneficiaries are required to make the down payment required by the lender, typically about five percent. Funds are awarded to individual households through participating financial institutions and are restricted to moderate-income first-time homebuyers who have selected homes within safe harbor limits. Contact: North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27611, (919) 877-5700.

**Single Family Rehabilitation Program (SFR):** Administered by the North Carolina Housing Finance Agency, this program provides loans to homeowners through local governments, regional agencies, and nonprofit organizations to rehabilitate owner-occupied homes. Assistance is targeted primarily to homeowners below 50% of area median income. Application deadline is in the third quarter. Contact: North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27611, (919) 877-5700.

**Self-Help Housing Program (Self-Help):** This program is funded by interest earnings on state appropriations and is administered by the North Carolina Housing Finance Agency. The program provides 25-50 percent of the cost of a home and must be matched with labor, materials, or cash from local sources. The program beneficiaries are first-time homebuyers with incomes below 50 percent of median area income, and funds are awarded to local public and nonprofit organizations, which develop self-help housing. Contact: North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27611, (919) 877-5700.

**Single Family Mortgage Loan Program (MRB):** Administered by the North Carolina Housing Finance Agency, this program is funded by tax-exempt bond proceeds and assists program beneficiaries with the purchase of new or existing homes. Program beneficiaries are required to make a down payment of at least three percent. These funds are awarded to individual households through participating financial institutions. Participants are restricted to moderate-income, first-time homebuyers who have selected homes within safe harbor purchase price limits. Contact: North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27611, (919) 877-5700.

**Rental Production Program (RPP):** Administered by the North Carolina Housing Finance Agency, this program provides loans of up to \$1.5 million per project for the production of rental housing targeted primarily to households below 50% of area median income.

**Urgent Repair Program (URP):** Administered by the North Carolina Housing Finance Agency, this program Provides grants to homeowners through local governments, regional agencies, and nonprofit organizations to correct housing conditions that pose a threat to safety or to cause displacement. Assistance is targeted primarily to homeowners below 30% of area median income. Application deadline is in the third quarter.

**Supportive Housing Development Program:** Formerly the Special Needs Housing Development Program and administered by the North Carolina Housing Finance Agency, this program provides loans of up to \$300,000 per project for the rehabilitation or new construction of transitional or permanent supportive housing for households below 50% of area median income with special needs. Eligible populations include homeless individuals and families, mentally ill, developmentally disabled, substance abusers, and persons with HIV/AIDS. Application deadline is in the third quarter.

## **Appendix E - Contacts**

While this section describes resources available for housing assistance in North Carolina, it does not list every program or organization that provides such assistance. This section identifies some of the key agencies and organizations. If you know of a change to be made on the list or wish to add an organization to the list, please contact the Division of Community Assistance at (919) 733-2850.

### **State Government Agencies**

**Governor's Advocacy Council for Persons with Disabilities:** While the Council does not have a specific mandate regarding housing, it sometimes becomes involved in housing situations in order to protect the rights of persons with disabilities. Contact: 1314 Mail Service Center, Raleigh, NC 27699-1314, (800) 821-6922.

**Human Relations Commission:** The Commission promotes fair housing by receiving, investigating and resolving charges of discrimination in housing. It also is involved in receiving, investigating and conciliating charges of discrimination in employment. The housing programs conducted are fair housing counseling and assistance. Commission programs are supported with both federal and state funds. Contact: 121 West Jones Street, Raleigh, NC 27603-1368, (919) 733-7996.

**Commission of Indian Affairs:** Designated as a Public Housing Agency by the U.S. Department of Housing and Urban Development, the Commission operates Section 8 Certificate and Voucher Programs. Families of all races are served and must meet income eligibility guidelines. The program is funded through federal sources. Contact: 217 West Jones Street, Raleigh, NC 27603-1336, (919) 733-5998.

**Division of Veterans Affairs:** The Division provides veterans and certain widows of veterans with assistance on applications for Home Loan benefits from the U.S. Department of Veterans Affairs. The program is funded by state resources. Contact: 1315 Mail Service Center, Raleigh, NC 27699-1315, (919) 733-3851.

### **Department of Commerce**

**Banking Commission:** The Commission charters and supervises state-chartered banks and finance companies operating under the Consumer Finance Act. The Commissioner of Banks also administers the Mortgage Banker/Broker Registration Act and the Reverse Mortgage Act. Contact: 430 North Salisbury Street, Raleigh, NC 27603-5900, (919) 733-3016.

**Commerce Finance Center:** The Commerce Finance Center (CFC) provides a “one-step” financial center to which relocating companies and existing employers come for the articulation of the financing alternatives available in North Carolina. It is CFC’s responsibility to encourage and precipitate decisions to save and create new jobs, and to entice better paying jobs for North Carolina citizens by prospective employers. Contact: 4319 Mail Service Center, Raleigh, NC 27699-4318, (919) 733-5297.

**Division of Community Assistance:** The Division administers approximately \$40 million annually through the federal Small Cities Community Development Block Grant Program, which funds a wide variety of community development activities including housing rehabilitation, residential, infrastructure financing, and public facilities improvements. The Division’s seven regional offices provide local planning and technical assistance to local governments with a wide range of community needs including land use, public management, watershed protection, growth management, and strategic and capital improvement planning. Funding for Division programs comes from the U.S. Department of Housing and Urban Development and state appropriations. Contact: 4313 Mail Service Center, Raleigh, NC 27605-2600, (919) 733-2850.

**Savings Institutions Division:** The Division regulates and examines state-chartered savings and loan institutions and state-chartered savings banks which have mortgage loans in their portfolios. Contact: 430 North Salisbury Street, Raleigh, NC 27603-5900, (919) 850-2888.

### **Department of Cultural Resources**

**Division of Archives and History:** The Division promotes knowledge and appreciation of state history and heritage and carries out environmental reviews of housing projects which may affect archaeological, architectural or historic properties. The Division provides technical assistance to owners of historic properties for restoration and rehabilitation. Clients are federal, state, and local governments involved in housing projects, as well as private developers and local groups using the investment tax credit for rehabilitation of a historic property. Contact: 109 East Jones Street, Raleigh, NC 27601-2807, (919)733-7305.

### **Department of Environment and Natural Resources**

**Division of Coastal Management:** The Division carries out the North Carolina Coastal Area Management Act in land use planning and protecting significant environmental resources in the 20-county coastal region, and also provides staff support for the policy-making Coastal Resources Commission. Activities include reviewing land use plans prepared by coastal municipalities and issuing permits for development and use in areas of environmental concern. Contact: 225 North McDowell Street, Raleigh, NC, 27687, (919) 733-2293.

**Division of Environmental Management:** The Division is indirectly involved in housing through the permitting of treatment and disposal of wastewater. Division programs serve to protect groundwater and facilitate the availability of groundwater supplies for drinking water use by housing units. Division programs also affect housing through the funding of municipal wastewater treatment and collection systems. Contact: 512 North Salisbury Street, Raleigh, NC 27604-1148, (919)733-7015.

**Division of Environmental Health:** The Division is involved with housing-related issues through local county health departments. Subjects which are addressed are on-site sewage and protection of water taken from individual wells. Public water systems are regulated by the Division along with a revolving loan program which allows water systems to apply for funding to build, remodel, or enlarge their facilities. This Division also provides indirect housing services through their lead screening program. Case management services are offered to those families with a child with an elevated blood lead level, and mandatory evaluation of the child's home is conducted if the blood lead level is above a threshold level. Contact: 1902 Mail Service Center, Raleigh, NC 27699 (919) 733-7301.

**HIV/STD Prevention and Care Branch:** Located in the Division of Adult Health Promotion, the Branch administers the federal Ryan White C.A.R.E. and Housing Opportunities for Persons with AIDS programs. In addition, the Branch administers Home and Community Based Medicaid Waiver program and an HIV Case Management Services program, both of which are designed to help disabled individuals remain in their homes. The mission of the AIDS Care Branch is to ensure the provision of a comprehensive continuum of health care and supportive services for individuals and families with HIV infection with a focus on home and community-based services. Appropriate affordable housing for people living with AIDS is one component of the comprehensive health and supportive services continuum. Contact: 1902 Mail Service Center, Raleigh, NC 27699 (919) 733-7301.

### **Office of the Governor**

**North Carolina Housing Finance Agency:** The Agency operates a variety of programs to finance home ownership for first-time home buyers with low or moderate-incomes, provide affordable rental housing for low- and moderate-income renters, and rehabilitate substandard owner-occupied and rental housing. Funding for Agency programs and operations comes from program fees, earnings from tax-exempt bond sales, federal funds and the North Carolina Housing Trust Fund. Contact: 3508 Bush Street, Raleigh, NC 27609-7509, (919) 877-5700.

**Office of State Budget and Management:** The Office provides housing-related economic and demographic data. Contact: 116 West Jones Street, Raleigh, NC 27603-8005, (919) 733-7061.

## **Department of Health and Human Services**

**Division of Aging:** Meeting the shelter and service needs of older adults is a primary concern for the Division of Aging and the aging network. Key objectives of the aging network related to housing are to support aging in place by providing well coordinated, community-based services; linking services and consumer safeguards with age-specific housing; and establishing congregate housing with services as an integral component of community-based services. Contact: Caller Box # 29531, Raleigh, NC 27626-0531, (919) 733-3983.

**Office of Economic Opportunity:** The Office administers four major federal and state programs that have housing as a significant area of focus. Community Action Agencies provide housing counseling and referrals, coordinate self-help housing programs, provide emergency housing assistance, assist in packaging housing loans and grants, sponsor the construction of apartment units for the elderly and coordinate housing rehabilitation projects. Funds are also provided to nonprofit organizations and units of local government that operate emergency and transitional facilities for the homeless. These funds are used to pay operating costs of homeless facilities, provide essential services to the homeless and conduct activities to prevent homelessness. Contact: Mail Service Center 2013, Raleigh, NC 27699-2013, (919) 715-5850.

**Division of Vocational Rehabilitation Services:** The Division administers the Independent Living Rehabilitation Program. The program's focus is to facilitate maximum independence of persons with severe disabilities within the community. The Division combines state and federal resources with existing community-similar benefits to produce housing modifications, purchase evaluations and equipment, provide transportation and teach independent living skills to eligible persons with severe disabilities. The program was started in October 1985, and has 11 offices serving 70 counties. The long-range plan is to serve the entire state through 16 offices. Contact: 805 Ruggles Drive, Raleigh, NC 27603-2038, (919) 733-3364.

## **Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

The Division of Mental Health, Developmental Disabilities and Substance Abuse Services believes that while the supportive service needs will vary according to the individual's disability, the need for decent, safe affordable housing is not only shared by all consumers but is a critical element in an individual's achieving maximum independence and functioning in the community. The Division's Cross-Disability Housing Working Group, with representatives from the three disability sections, coordinate housing activity at the Division, sharing information and developing partnerships with the housing development community. The Division also provides financial support for Housing Works, Inc. a non-profit housing intermediary providing technical assistance, training and advocacy aimed at expanding housing opportunities for consumers of Division services.

- **Adult Community Mental Health Section** provides technical assistance to local area programs on the development of housing for adults with serious mental illness. Since 1986 the section has provided startup and service funding for HUD 811 apartments and group homes developed in partnerships between the Mental Health Association in North Carolina and other non-profit sponsors and local mental health programs. In 1992-94 42 units were developed across the state through a direct allocation of HOME funding to the Adult Mental Health Section. Contact: 3014 Mail Service Center, Raleigh 27699-3014, (919) 571-4980
- **Developmental Disabilities Section** provides technical assistance to local area programs and private agencies on the development of housing options for people with Developmental Disabilities, such as apartments, homes and replacement group homes. The Section's Supported Living Services provides flexible funding to support people with developmental disabilities to live as independently as possible in the community. Contact: Community Capacity @ Developmental Disabilities Section, 3006 Mail Service Center, Raleigh, NC 27699-3006 (919) 733-4665
- **Substance Abuse Service Section** provides support for the development of half way houses for persons in recovery from substance abuse and other housing initiatives for persons in recovery. Contact: Substance Abuse Service Section, 3007 Mail Service Center, Raleigh, NC 27699-3007 (919) 733-4671

**Division of Social Services:** The Division works through the 100 county Departments of Social Services. Among the housing-related services available are community living services, youth and disabled adult foster care services and housing and home improvement programs. The programs are designed to assist families and individuals in obtaining and retaining adequate housing and basic furnishings. Priority goes to aged or disabled adults and children in need of services to avoid placement in substitute care. The In-Home Aide Service provides assistance management, personal care and supervision so they can function effectively at home for as long as possible. Contact: 325 North Salisbury Street, Raleigh, NC 27603-5905, (919) 733-7831.

### **Department of Insurance**

**Engineering Division:** The Division assists local inspection officials with the enforcement of the North Carolina state building code. It serves as staff to the North Carolina Building Code Council which has the responsibility of setting standards for all construction. The Division's activities are state funded. Contact: 410 North Boylan Avenue, Raleigh, NC 27603-1212, (919) 733-3901.

**Manufactured Housing Division:** The Division licenses and regulates manufacturers, dealers and set-up contractors involved in the production and sale of manufactured housing. The Division also assists in resolving consumer complaints and monitoring local inspection departments for proper set-up. The activities of this Division are entirely receipt supported. Contact: 410 North Boylan Avenue, Raleigh, NC 27603-1212, (919) 733-3901.



## **Department of Justice**

**Consumer Protection Section:** From within the Attorney General's Office, the Section enforces North Carolina's consumer protection laws, which are aimed at preventing unfair or deceptive business practices. This Section investigates complaints about landlord-tenant relationships, real property transactions, and mobile homes, except for those relating to mobile home warranty service which should be addressed to the Manufactured Housing Division of the Department of Insurance. The Division's activities are state funded. Contact: Justice Building, 2 East Morgan Street, Raleigh, NC 27601-1497, (919) 733-7741.

## **Department of Labor**

**Agricultural Safety and Health Division:** The Division was created in response to the Migrant Housing Act of North Carolina, passed in 1989. This law requires that any person owning or operating a housing unit for migrant workers must annually register with the Agricultural Safety and Health Division and have their housing inspected prior to migrant occupation. Contact: 413 North Salisbury Street, Raleigh, NC 27603, (919) 733-3088.

**Research and Statistics Division:** The Division collects, analyzes, and publishes statistics on housing construction data and serves as a data resource for the housing industry. This information is published monthly. Contact: 4 West Edenton Street, Raleigh, NC 27601-1092, (919) 733-4940.

**Real Estate Commission:** The purpose of the Real Estate Commission is to license and regulate real estate brokers and salesmen; to monitor sales activities of time-share projects; to license private real estate schools; to approve pre-licensing real estate courses; to administer the Real Estate Recovery Fund; and to provide administrative, technical and legal support to the Real Estate Appraisal Board. Real estate consumers, agents, appraisers, time-share projects, educators, and other governmental agencies are the beneficiaries of these activities. Funding comes 97 percent from license fees and 3 percent from interest on fees, royalties, and miscellaneous. Contact: 1313 Navaho Drive, Raleigh, NC 27609-7460, (919) 733-9580.

## **Department of the State Treasurer**

**Investment and Banking Division:** The Division receives and disburses state monies and arranges for the prompt payment of principal and interest on the state's general obligation debt. The State Treasurer's Office is the trustee of the Housing Trust Fund. As such, the Division provides for the safekeeping of the cash and investment of the funds under its control on behalf of the operating agencies who are solely responsible for the actual decisions on the payment of moneys from the funds. Contact: 325 North Salisbury Street, Raleigh, NC 27603-1388, (919) 733-7282.

**State and Local Government Finance Division:** The Division authorizes local debt and approves bond issues. Contact: 325 North Salisbury Street, Raleigh, NC 27603-1388, (919) 733-3064.

### ***Intergovernmental Cooperation***

The following entities serve primary roles in facilitating housing-related intergovernmental cooperation in North Carolina:

**State Legislature** The General Assembly may study housing issues, initiate new programs, fund new and existing programs, establish state boards or councils for a range of housing-related purposes, reorganize state institutional structure to deliver housing assistance, monitor on-going housing activities, etc. Contact: State Legislative Building, 216 Jones Street, Raleigh, NC 27603, House Principal Clerk: (919) 733-7760, Senate Principal Clerk: (919) 733-7761.

**North Carolina Housing Partnership** The 13-member North Carolina Housing Partnership, created by the General Assembly in 1987, oversees policy for the North Carolina Housing Trust Fund, which finances housing production and rehabilitation activities for low- and very low-income households statewide. The Housing Finance Agency provides staffing and program administration services to execute programs approved by the Partnership. Contact: 3508 Bush Street, Raleigh, NC 27609-7509, (919) 877-5700.

**Community Development Council** The 11-member Council advises the Secretary of Commerce with respect to promoting and assisting in the orderly development of North Carolina counties and communities, the type and effectiveness of planning and management services provided to local government, programs operated by the Division of Community Assistance, and any other matter the Secretary refers to it. Contact: 1307 Glenwood Avenue, Raleigh, NC 27605-2600, (919) 733-2850.

**Housing Coordination and Policy Council** The Housing Coordination and Policy Council, located in and staffed by the Housing Finance Agency, is a 15-member advisory group to the Governor on state housing policy and program coordination issues. Contact: 3508 Bush Street, Raleigh, NC 27609-7509, (919) 877-5700.

**Interagency Council for Coordinating Homeless Programs (ICCHP)** The Council addresses issues of program and policy coordination with the various state agencies and other relevant groups that provide either housing or services assistance to the homeless. The Council sponsors an annual statewide Conference on Homelessness. Its membership includes senior level management from key state agencies involved with programs and services for the homeless, representation from the private non-profit sector, the homeless and formerly homeless and the General Assembly. The Office of Economic Opportunity in the Department of Health and Human Services provides staff to the Council. Contact: Office of Economic Opportunity, Mail Service Center 2013, Raleigh, NC 27699-2013, (919) 715-5850

### **Regional and Local Public Organizations**

**Regional Councils of Government:** These Councils may administer a variety of housing-related programs. Many house the Area Agency on Aging, which administers a variety of housing programs for older adults. Regional Councils of Government and Economic Development Councils may also run housing development or rehabilitation programs in their area.

**Local Governments:** Local governments, both municipal and county, may act as recipients and program administrators of housing-related assistance provided by the federal or state governments. Municipalities may fund low-income housing activities directly through revenues, including local taxes and the sale of municipal bonds. At the present time, counties are not able to fund housing activities directly due to a lack of enabling legislation. Local governments provide a variety of different housing programs statewide.

**Indian Housing Authority:** Funded by the U.S. Department of Housing and Urban Development, the Indian Housing Authority provides affordable housing and related facilities for eligible low-income Indians. Local programs develop and operate rental and home ownership opportunity projects. Contact: Indian Housing Authority P.O. Box 2343, Fayetteville, NC 28302, (919) 483-5073.

**Public Housing Authorities:** Local housing authorities serve low-income persons through a variety of housing programs. The oldest and most common program is Conventional Public Housing which involves building and operating apartments for low-income persons with rent based on income. Housing authorities also provide rental assistance in the private rental market through the Section 8 Existing and Voucher Program. They may build housing through federal grant programs, public private partnerships, and bond issues. Public Housing Authorities generally serve either a county or municipality. There is no statewide housing authority in North Carolina.

## **Private Organizations**

### **For Profit**

**Private Lenders:** Private lenders may provide financing, technical assistance, counseling, or a range of other services, to individuals or non-profits, aimed at assisting local affordable housing efforts.

**Community Investment Corporation of North Carolina:** The Corporation was created by the North Carolina Alliance of Community Financial Institutions to provide long-term financing for low- and moderate-income housing development through the state. Loans are funded by Corporation members utilizing the loan pool participation process. The organization currently offers permanent financing for rental projects only. Contact: Community Investment Corporation of NC, 3601 Haworth Drive, Raleigh, NC 27609, (919) 781-7979.

**Self-Help Credit Union:** The Self-Help Credit Union is a federally-insured depository institution with regional offices in Charlotte, Asheville, and Greensboro that provides technical assistance and financing to create jobs and housing for low-income North Carolinians. Contact: The Center for Community Self-Help, 409 East Chapel Hill Street, Durham, NC 27702.

**Other Private Lending Institutions:** Other private lenders have responded to the Community Reinvestment Act with programs to finance decent, affordable housing. Special lending programs offered by commercial banks are targeted to households that do not qualify for the lenders' regular programs and may have rates slightly lower than conventional rates, lower down payment requirements or special underwriting treatment.

**Private Developers:** Developers, builders, individuals, corporations, and other trade associations may undertake a variety of activities to promote or develop affordable housing opportunities.

### **Other For-Profit Participants**

**Mortgage Insurers:** Mortgage insurance keeps money available by making loans marketable in the secondary mortgage markets. Some private mortgage insurers in North Carolina accept levels of underwriting risk and thereby make mortgage lending possible to households which do not meet certain criteria.

**Tax Credit Syndicates:** These syndicates facilitate the flow of equity to multifamily projects. Projects, along with their tax credits, are sold to investors to create equity financing. Syndicators provide a link between the developer and investors. Syndicators operate at national, regional and local levels.

**Utility Companies:** Utilities develop construction and energy conservation standards to reduce energy costs. They also provide information and training on energy-saving practices in the home, such as how to install insulation and weather-stripping. Low interest loans are often available from utility companies for the purchase and installation of energy conservation measures.

### **Statewide Nonprofits**

**American Association of Retired Persons:** The Association operates its Consumer Housing Information Services program in North Carolina. It trains senior citizen volunteers to provide other senior citizens with information on housing options. Area housing coordinators recruit local coordinators who in turn recruit volunteers who provide information to the served population. Contact: Economic Security/Consumer Representative, AARP Area III, 1600 Duke Street, 2nd Floor, Alexandria, VA 22314, (703) 739-9220.

**Association for Retarded Citizens:** The Association for Retarded Citizens of North Carolina/Housing Development Services, Inc. develops group homes for persons with mental retardation. Currently 176 homes serving 987 persons are in operation across the state. Plans call for 16 more group homes to be built to serve 96 more persons; already, five are under construction. These homes are financed through the U.S. Department of Housing and Urban Development Supportive Housing for the Elderly (Section 202) program. Contact: 16 Rowan Street, Suite 204, Raleigh, NC, 27619, (919) 782-4632.

**Autism Society of North Carolina:** The Autism Society of North Carolina, Inc. contracts with local private non-profits to develop and manage group homes for autistic persons. Six facilities to house 36 persons are under development and plans for six more facilities to house another 41 persons are under way. The group also offers technical assistance and advocacy. Contact: 3300 Womans Club Drive, Raleigh, NC 27612. (919) 571-8555.

**The Center for Community Self-Help:** The Center and its affiliate, the Self-Help Credit Union, have used funds from the North Carolina General Assembly to leverage funds from credit unions and other financial institutions as a loan pool for first-time home buyers. As a mortgage lender, the Credit Union will look beyond credit reports for compensating factors to strengthen mortgage applications. It also uses techniques to strengthen mortgage applications, such as allowing sponsors to pledge deposits as additional collateral for marginal applicants. Another activity is the development of a directory of home ownership counseling programs for lenders to use in matching borrowers with available counseling programs. Contact: 413 East Chapel Hill Street, Durham, NC 27702, (919) 683-3016.

**Foundations:** Foundations may fund a broad range of projects and activities related to affordable, decent housing. Foundations are usually more interested in providing funding to encourage new and innovative initiatives than in providing funding for the on-going support of housing programs. Some foundations, while not primarily focusing on housing, may be interested in certain types of housing (e.g., independent living for the elderly, housing for persons with AIDS). Many locally-focused foundations support local housing organizations such as Habitat for Humanity chapters. Below is a list of North Carolina-based foundations excerpted from information compiled by the Durham Affordable Housing Coalition:

Greater Triangle Community Foundation, Raleigh	(919)549-9840
Z. Smith Reynolds Foundation, Winston-Salem	(910) 725-7541
Endowment for the Poor, Raleigh	(919) 821-9750
Kathleen Price and Joseph M. Bryan Foundation, Greensboro	(910) 288-5455
Mary Reynolds Babcock Foundation, Winston-Salem	(910) 748-9222
Durham Merchants Assoc. Charitable Foundation, Durham	(919) 489-5405
A.J. Fletcher Foundation, Raleigh	(919) 890-6084
The Cannon Foundation, Concord	(704) 786-8216
Barclays American Foundation, Inc., Charlotte	(704) 339-5395
Central Carolina Bank, Durham	(919) 683-7555
First Union Foundation, Charlotte	(704) 374-6649
Palin Foundation, Raleigh	(919) 781-7800
Philip L. Van Every Foundation, Charlotte	(704) 554-1421
Wachovia Foundation, Winston-Salem	(919) 770-5995

**Housing Works, Inc.:** created with support from the NC Division of MH/DD/SAS in 1997, is a non-profit housing intermediary that provides technical assistance and training to Area Programs and their affiliated non-profits in the development of affordable housing opportunities for their consumers. In addition, Housing Works is a clearinghouse for information on housing development and financing, representing the needs of persons with mental illnesses, developmental disabilities and substance use disorders in statewide education and advocacy efforts to increase funding for housing development. Contact Housing Works at 828-255-8484 or <housingworks@mindspring.com>

**The Affordable Housing Group (TAHG):** TAHG assists community-based organizations in meeting their housing needs by providing technical assistance and development expertise for the production of affordable housing. In addition, the Corporation aids in the development and use of creative financing plans to produce affordable housing which maintains its long term affordability, and disseminates information regarding federal, state, and local housing programs and legislation, applicable funding sources, and other housing related issues. The Corporation also encourages the active participation of low- and moderate-income groups in the determination of their housing and allied needs and helps foster non-discrimination in housing practices. Contact: 1300 Baxter Street, Suite 269, Charlotte, NC 28204, (704) 342-3316.

**Lutheran Family Services:** Lutheran Family Services develops and manages group homes for mentally retarded and mentally ill adults. The organization has applied to the U.S. Department of Housing and Urban Development for funds to build group homes and manages four group homes for mentally retarded and mentally ill adults. In addition, it coordinates foster care for children with AIDS/HIV or children of parents with AIDS/HIV following parents' death or severe disability. Contact: 505 Oberlin Road, Raleigh, NC 27605, (919) 832-4378.

**Mental Health Association of North Carolina, Inc.:** The Association develops and manages group housing for the mentally ill. The Association is involved in advocacy and outreach, and facilitates referrals between organizations. It maintains a continuing campaign to educate legislators about the operating needs of supportive living environments. Contact: 3820 Bland Road, Raleigh, NC 27609, (919) 981-0740.

**North Carolina Alternative Energy Corporation:** The Corporation was established in 1980 by the North Carolina Utilities Commission in cooperation with major electric utilities. It promotes more efficient production and utilization of electricity and provides technical assistance on a consultation basis. The Corporation is working with the manufactured housing industry to encourage both the industry and homeowners to invest in energy efficiency. It also provides training to housing rehabilitation specialists on energy-efficient rehabilitation. Utility companies cooperate with the Corporation to develop state-of-the art construction technology and energy distribution systems that reduce costs to energy users. Contact: PO Box 12699, Research Triangle Park, NC 27709, (919) 361-8000.

**North Carolina Association of Community Action Agencies:** The Association coordinates and advocates on behalf of the diverse programmatic activities and objectives of Community Action Agencies, establishes priorities for, promotes and facilitates an exchange of information on federal, state, and local funding proposals through the Community Action Agency network, provides training and technical assistance to promote competence and to ensure the state exercises maximum use of its human resources and serves as an advocate for the poor in North Carolina, ensuring participation and involvement at all levels of the decision-making process. Contact: P.O. Box 98475, Raleigh, NC 27624, (19) 790-8900.

**North Carolina Association of Community Development Corporations:** The Association is the membership organization for non-profit Community Development Corporations focused on underdeveloped, distressed communities and neighborhoods throughout the state. Member corporations are community-initiated and community-controlled, 501(c)(3) tax-exempt organizations. The state association provides coordination, advocacy, resource development, information clearinghouse, training and technical assistance to and for member organizations. The Association currently administers two loan funds that facilitate development by member corporations and co-sponsors the North Carolina Community Economic Development Studies Program which is a skills course primarily on the elements of real estate development. Contact: P.O. Box 26208, Raleigh, NC 27611-6208, (919) 831-9710

**North Carolina Low Income Housing Coalition:** The Coalition advocates to make sure that housing resources are available from the public and private sectors. It also educates the general public and policy makers about the need for low-income housing and possible ways to fill that need, provides education and limited training via workshops and conferences to local housing providers, and encourages local initiatives by providing limited organizational/technical assistance. Contact: 3948 Barrett Drive, Suite 200, Raleigh, NC 27609, (919) 881-0707

**North Carolina Senior Citizens Federation:** The Federation is a minority-based membership association which represents the interests of low-income senior citizens. It works in partnership with federal, state, regional and local organizations to develop housing for senior citizens across the state as resources become available. Contact: PO Drawer 1455, Henderson, 27536, (919) 492-6031

**United Cerebral Palsy of North Carolina:** This organization has established group homes with supportive services for adults with physical disabilities. Most clients have very low-incomes. The organization plans to work to move beyond group home development to create supportive or supervised apartment living for residents. Contact: 327 West Morgan Street, Raleigh, NC 27601, (919) 832-3787.



## **Regional and Local Nonprofits**

**Community Action Agencies:** Community Action Agencies are local non-profit organizations that serve all 100 counties in the state. They may provide weatherization assistance, major/minor housing rehabilitation and new construction, homeless shelter and transitional housing operation, rental assistance, housing counseling, and economic development activities. Contact for name of local CAA: NC Community Action Association, 4428 Louisburg Rd., Suite 101, Raleigh, NC 27616, (919) 790-5757.

**Community Development Corporations:** The primary function of these corporations is to act as dealmakers and packagers of projects and activities that will increase their constituencies' opportunities to become owners, managers, and producers. Contact for names of local CDCs: NC Association of CDCs, Post Office Box 26208, Raleigh, NC 27611-6208, (919) 831-9710.

**Habitat for Humanity:** Habitat for Humanity is a national network of local chapters that use the self-help concept to make home ownership affordable for low-income families. There are currently 50 local Habitat for Humanity chapters in North Carolina, more than any other state. Local programs consist of a consortium of local churches and other volunteers. In addition to their volunteers providing construction labor, Habitat for Humanity chapters also provide zero interest mortgage financing and counseling and support for participating families. Contact: See your local telephone directory under either the county or city name or under Habitat for Humanity (eg. Madison County Habitat for Humanity or Habitat for Humanity of Greater Greensboro).

**HIV Health Care Consortia and AIDS Services Organizations:** There are 15 HIV Health Care Consortia statewide. Altogether they serve the state's 100 counties. Each consortium is comprised of local health care and service providers serving persons with AIDS/HIV and their families within its service area. The Consortia and ASOs are funded with federal monies administered by the AIDS Care Branch of the North Carolina Department of Environment, Health and Natural Resources, other federal, state and local funds and private resources. They provide a wide variety of services either directly or through service contracts including, but not limited to case management, home health care, transportation, emergency housing expense assistance, prescription drug assistance, counseling, community education and medical and dental care referral. Contact for name of local consortium and AIDS Services Organization: AIDS Care Branch, Department of Environment, Health and Natural Resources, 1330 St. Mary's Street, Raleigh, NC 27605 (919) 715-3124.

**Neighborhood Housing Services:** Neighborhood Housing Services programs are local non-profits that are part of a national network supported by the Neighborhood Reinvestment Corporation, a national public corporation. Each local affiliate is a partnership of neighborhood residents, business leaders, and local government officials. The objective of the Program is to revitalize older neighborhoods by encouraging reinvestment in those areas. Neighborhood Housing Services programs provide technical assistance to neighborhood residents and usually provide below market rate financing for housing rehabilitation and sometimes for new construction.

**Other Community-Based Nonprofit Organizations:** These may include housing, emergency shelter and supportive services providers, nonprofit housing developers, housing-related counseling agencies and advocates.

## **Appendix F - Abbreviations**

APR - Annual Performance Report  
BMIR - Below Market Interest Rate  
CDBG - Community Development Block Grant  
CHAS - Comprehensive Housing Affordability Strategy  
CHDO - Community Housing Development Organization  
CRA - Community Reinvestment Act  
CSBG - Community Services Block Grant  
DCA - North Carolina Division of Community Assistance  
DD - Developmentally Disabled  
DHSS - Department of Health and Human Services  
DP - Deferred Payment  
DVRS - North Carolina Division of Vocational Rehabilitation Services  
DSS - North Carolina Division of Social Services  
DENR - North Carolina Department of Environment, Health and Natural Resources  
ESGP - Emergency Shelter Grants Program  
FDIC - Federal Deposit Insurance Corporation  
FFY - Federal Fiscal Year  
FmHA - Farmers Home Administration  
FY - Fiscal Year  
HAMFI- Housing and Urban Development-Adjusted Median Family Income  
HCPC - Housing Coordination and Policy Council  
HECM - Home Equity Conversion Mortgage  
HOME- HOME Investment Partnerships Program  
HOPE - Homeownership Opportunities for People Everywhere  
HOPWA- Housing Opportunities for Persons with AIDS  
HUD - United States Department of Housing and Urban Development  
IAQ - Indoor Air Quality  
ICCHP- Interagency Council for Coordinating Homeless Programs  
IHA - Indian Housing Authority  
ILRP - Independent Living Rehabilitation Program  
LBP - Lead-Based Paint  
LIHPP - Low Income Housing Preservation Program  
LIHTC- Low Income Housing Tax Credit  
MCC - Mortgage Credit Certificate  
MF - Multi-Family  
MFI - Median Family Income  
MH/DD/SAS- North Carolina Division of Mental Health, Developmental Disabilities and Substance Abuse Services  
MRB - Mortgage Revenue Bond  
MSA - Metropolitan Statistical Area  
NCCIA- North Carolina Commission of Indian Affairs  
NCHFA - North Carolina Housing Finance Agency  
NCHP - North Carolina Housing Partnership  
NCHTF - North Carolina Housing Trust Fund

OEO - North Carolina Office of Economic Opportunity  
 PATH - Projects for Assistance in Transition from Homelessness  
 PHA - Public Housing Authority  
 PRA - Project-Based Rental Assistance  
 RC - Resident Corporation  
 RECD - Rural Economic and Community Development (formerly Farmers Home Administration)  
 RLF - Revolving Loan Fund  
 RMC - Resident Management Corporation  
 RTC - Resolution Trust Corporation  
 S+C - Shelter Plus Care  
 SAFAH - Supplemental Assistance for Facilities to Assist the Homeless  
 SPMI - Severely and Persistently Mentally Ill  
 SRA - Sponsor-Based Rental Assistance  
 SRO - Single Room Occupancy  
 SSI - Supplemental Security Income  
 TA - Technical Assistance  
 TANF - Temporary Assistance for Needy Families  
 TRA - Tenant-Based Rental Assistance  
 WAP - Weatherization Assistance Program

## **Appendix G - Definitions**

**Abatement:** any set of measures designed to permanently eliminate lead-based paint, asbestos, or other hazards in accordance with federal standards.

**Affordable Housing:** housing for which the occupant is paying no more than 30 percent of gross income for total housing costs, including rent, mortgage payments, condominium fees, utilities, taxes, and insurance, as applicable for rental or owned housing units.

**AIDS/HIV:** the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for the disease. The human immunodeficiency virus is the retrovirus recognized by most scientists as the cause of AIDS.

**Alcohol/Other Drug Addiction:** a serious and persistent abuse of alcohol or drugs that significantly limits a person's ability to live independently.

**Annual Plan:** the component of the complete CHAS submission that specifies the jurisdiction's plan for the first federal fiscal year covered by the submission, or the sole required submission in each of the four years after a complete submission was made.

**Area of Low-Income Concentration:** counties in which 20% or more of the population is in poverty.

**Area of Racial/Ethnic Minority Concentration:** counties in which minorities make up 34% or more of the county population.

**Assisted Household or Person:** a household or person benefiting directly from a housing program included in the jurisdiction's investment plan during the period covered by the CHAS Annual Plan; a renter is assisted if he/she receives rental assistance or takes occupancy of a rental unit that is newly acquired, rehabilitated, or constructed; an existing homeowner is assisted if his/her house is rehabilitated using program funds; a first-time homebuyer is assisted if he/she receives counseling, down payment, closing cost, or financing assistance to purchase a home; a homeless person is assisted if he/she becomes an occupant of permanent or transitional housing; a non-homeless person with special needs is assisted if the provision of supportive services is linked to the acquisition, rehabilitation, or new construction of a housing unit and/or rental assistance.

**Births:** total number of live births occurring to residents of an area during the period, as reported from the Census Bureau's Federal-State Cooperative Program for Population Estimates (FSCPE) and the National Center for Health Statistics.

**Certification:** A written assertion, based on supporting evidence, that must be kept available for inspection by HUD, by the Inspector General of HUD, and by the public. The assertion shall be deemed to be accurate unless HUD determines otherwise, after inspecting the evidence and providing due notice and opportunity for comment.

**Committed:** a legally binding promise of funds to a specific project to undertake specific housing-related activities.

**Community Development Corporation:** a nonprofit corporation whose activities and decisions are initiated, managed, and controlled by its constituencies, and whose primary mission is to develop and improve low-income communities and neighborhoods through economic and related development. Community development corporations were enabled by Title VII Special Impact of the Economic Opportunity Act of 1964.

**Community Housing Development Organization:** a nonprofit with demonstrated capacity to successfully carry out the development and management of affordable housing that maintains significant accountability to low-income community residents of their communities.

**Consolidated Plan:** The document that is submitted to HUD that serves as the planning document (comprehensive housing affordability strategy and community development plan) of the jurisdiction and an application for funding under any of the Community Planning and Development formula grant programs (CDBG, ESG, HOME, or HOPWA), which is prepared in accordance with the process prescribed in this part.

**Consortium:** An organization of geographically contiguous units of general local government that are acting as a single unit of general local government for purposes of the HOME program (see 24 CFR part 92).

**Cost Burden:** the extent to which housing costs, including rent, mortgage payments, condominium fees, utilities, taxes, and insurance, as applicable for rental or owned housing units, exceed 30 percent of gross family income.

**Deaths:** Total number of deaths occurring within the resident population of an area during the period, as reported by the Census Bureau's Federal-State Cooperative Program for Population Estimates (FSCPE) and the National Center for Health Statistics.

**Disabled Household:** a household composed of one or more persons at least one of whom is an adult with a disability.

**Disabled Individual:** a person with a physical, mental, developmental, or emotional impairment that is expected to be of indefinite duration, that substantially impedes his or her ability to live independently, and that is of such a nature that the ability could be improved by more suitable housing conditions.

**Economic Independence and Self-Sufficiency Programs:** programs undertaken by Public Housing Authorities to promote economic independence and self-sufficiency for participating tenant families.

**Elderly Household:** a household of no more than two persons in which at least one member is at least 62 years of age.

**Elderly Person:** a person who is at least 62 years of age.

**Emergency Shelter:** Any facility with overnight sleeping accommodations, the primary purpose of which is to provide temporary shelter for the homeless in general or for specific populations of the homeless.

**Encapsulation:** a method of abatement which involves the sealing of existing surfaces with durable surface coatings that prevents any part of lead-containing paint or asbestos from becoming part of house dust or otherwise accessible to children.

**Existing Homeowner:** an owner-occupant who holds legal title to residential property and used as his/her principal residence.

**Extremely low-income family:** Family whose income is between 0 and 30 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

**Fair Market Rent:** the rent established annually by the U.S. Department of Housing and Urban Development used to determine federal subsidy rates. Fair Market Rents includes the cost of utilities (excluding telephone), ranges and refrigerators, and all maintenance, management, and other services that would be required to be paid in order to rent privately owned, decent, safe, and sanitary rental housing of a modest nature with suitable amenities in a given market area.

**Family:** a householder and one or more other persons living in the same household are related by birth, marriage, or adoption (Census definition).

**Farmworker:** any person who, for an agreed remuneration or rate of pay, performs labor for another to work in any aspect of the production of farm or forestry products.

**Federal Preference for Admission:** the preference given to applicants for certain kinds of federal housing assistance who are involuntarily displaced, homeless, living in substandard housing, or paying more than 50 percent of gross household income for rent.

**First-time Homebuyer:** an individual or family who has not owned a home during a specified period (differs for different programs) preceding the assisted purchase of a home that is to be used as the principal residence of the homebuyer.

**Frail Elderly:** those adults at least 62 years of age who are unable to perform at least three activities of daily living activities such as eating, dressing, bathing, grooming, and household management activities.

**Group Quarters:** facilities providing living quarters that are not classified as housing units such as prisons, nursing homes, dormitories, military barracks, and shelters (Census Definition).

**HAMFI:** U.S. Department of Housing and Urban Development-Adjusted Median Family Incomes (HAMFI) are estimated for a family of four. They vary by family size and by metropolitan area or by non metropolitan county. The income for the non-metropolitan part of the state is used instead of the non-metropolitan county, where the state income is higher. The income figures are adjusted for high rent and low-income areas. The income figures were based on the same period on the same period of time and same metropolitan area definitions as were used for the 1990 Census.

**Head of Household:** generally the person in whose name the home is owned, being bought or rented and who is listed in Column 1 of the Census questionnaire.

**Headship Rate:** the ratio of household heads to population used to translate population information into housing demand.

**Homeless family with children:** A family composed of the following types of homeless persons: at least one parent or guardian and one child under the age of 18; a pregnant woman; or a person in the process of securing legal custody of a person under the age of 18.

**Homeless person:** A youth (17 years or younger) not accompanied by an adult (18 years or older) or an adult without children, who is homeless (not imprisoned or otherwise detained pursuant to an Act of Congress or a State law), including the following:

- (1) An individual who lacks a fixed, regular, and adequate nighttime residence;  
and
- (2) An individual who has a primary nighttime residence that is:
  - (i) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
  - (ii) An institution that provides a temporary residence for individuals intended to be institutionalized; or
  - (iii) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

**Homeless subpopulations:** Include but are not limited to the following categories of homeless persons: severely mentally ill only, alcohol/drug addicted only, severely mentally ill and alcohol/drug addicted, fleeing domestic violence, youth, and persons with HIV/AIDS.



**Homeless Youth:** an unaccompanied person 17 years of age or younger who is homeless.

**Household:** one or more persons occupying a housing unit; the occupants may be a related household, one person living alone, or a group of unrelated persons who share living arrangements.

**Housing Problems:** households with housing problems include those that lack complete plumbing or kitchen facilities, are overcrowded, and/or pay more than 30 percent of gross income for total housing expenses.

**Housing Unit:** an occupied or vacant house, apartment, mobile home, group of rooms, or a single room intended as separate living quarters.

**Housing and Urban Development, U.S. Department of (HUD):** Federal agency which administers the majority of federal housing programs and which develops national housing policy.

**Institutional Quarters:** group quarters for persons under care or custody in institutions, including correctional facilities, nursing homes, psychiatric hospitals, schools, hospitals, and wards for the disabled.

**Jurisdiction:** A State or unit of general local government.

**Kitchen Facilities:** a unit is classified as having complete kitchen facilities when it has, located within the structure but not necessarily in the same room, an installed sink with piped water, a range, cook top, and convection or microwave oven (or cook stove), and a refrigerator.

**Large Related Households:** households of five or more persons, which includes at least one person related to the householder by blood, marriage, or adoption.

**Large Family:** Family of five or more persons.

**Large Family Unit:** a housing unit containing at least three bedrooms.

**Lead-Based Paint Hazard:** any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects.

**Low-Income Families:** Low-income families whose incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

**Low Income Housing Tax Credit:** Federal program administered by the Internal Revenue Service through which tax credits are allocated to affordable housing developers to raise equity capital for the production of rental housing for households earning less than 60 percent of the area median income.

**Low-Income Households:** households whose incomes do not exceed 80 percent of the median income for the area as determined by HUD.

**Market Vacancy Rate:** the number of vacant units available for sale or rent expressed as a percentage of the number of units in the market.

**Median Income:** that income level at which an equal number of families/households have incomes above the level as below; the median income is based on the distribution of the incomes of all families/households including those with no income.

**Middle-Income Family:** Family whose income is between 80 percent and 95 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 95 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. (This corresponds to the term "moderate income family" under the CHAS statute, 42 U.S.C. 12705.)

**Migrant Farm worker:** farm workers who have no permanent home and move from region to region seeking employment as farm laborers.

**Moderate-Income Family:** Family whose income does not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

**Moderate-Income Households:** households whose incomes are between 81 and 95 percent of the median income for the area, as determined by HUD.

**Moderate Rehabilitation:** rehabilitation of residential property at an average cost for the project not in excess of \$25,000 per dwelling unit.

**Natural Increase:** births minus deaths in an area. The rate of natural increase expresses natural increase during a time period as a percentage of an area's initial population.

**Net Domestic Migration:** the difference between domestic in-migration to an area and domestic out-migration from it during the period. Domestic in-migration and out-migration consist of moves where both the origins and destinations are within the United States (excluding Puerto Rico). The net domestic migration rate expresses net domestic migration during a time period as a percentage of an area's initial population.

**Net International Migration:** the difference between migration to an area from outside the United States (immigration) and migration from the area to outside the United States (emigration) during the period. For the purposes of these population estimates, the geographic extent of the United States is defined as excluding Puerto Rico. Net international migration includes: (1) legal immigration to the United States as reported by the Immigration and Naturalization Service, (2) an estimate of net undocumented immigration from abroad, (3) an estimate of emigration from the United States, and (4) net movement between Puerto Rico and the (balance of) the United States. The net international migration rate expresses net international migration during a time period as a percentage of an area's initial population.

**Numeric Population Change:** the difference between the population of an area at the beginning and end of a time period.

**Overcrowded Housing Unit:** For purposes of describing relative housing needs, a housing unit containing more than one person per room.

**Percent Change:** the difference between the population of an area at the beginning and end of a time period, expressed as a percentage of the beginning population.

**Person with a Disability:** A person who is determined to:

- (1) Have a physical, mental or emotional impairment that:
  - (i) Is expected to be of long-continued and indefinite duration;
  - (ii) Substantially impedes his or her ability to live independently; and
  - (iii) Is of such a nature that the ability could be improved by more suitable housing conditions; or
- (2) Have a developmental disability, as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6007); or
- (3) Be the surviving member or members of any family that had been living in an assisted unit with the deceased member of the family who had a disability at the time of his or her death.

**Physical Defects:** a housing unit lacking complete kitchen and/or bathroom facilities, or lacking electricity, or having structural deficiencies.

**Plumbing Facilities:** hot and cold piped water, a flush toilet, and a bathtub or shower. All three facilities must be located inside the house, apartment, or mobile home but not necessarily in the same room for a unit to be defined as having complete plumbing, and need not be for the exclusive use of the household.

**Population Estimate:** the estimated population is the computed number of persons living in the area (resident population) as of July 1. The estimated population is calculated from a demographic components of change model that incorporates information on natural change (births and deaths) and net migration (net domestic migration and net movement from abroad) that has occurred in the area since the reference date of the 1990 census.

**Poverty Level Family:** Family with an income below the poverty line, as defined by the Office of Management and Budget and revised annually.

**Project-Based Rental Assistance:** public rental assistance provided directly to the owner or sponsor of a housing development to subsidize the rents of all eligible units.

**Public Housing Comprehensive Improvement Assistance Program:** provides federal aid to Public and Indian Housing Authorities to finance capital improvements in public housing developments with fewer than 250 units.

**Rental Assistance:** a subsidy covering the difference between the Fair Market Rent and 30 percent of an eligible household's income.

**Renter:** a household that rents the housing unit it occupies, including both units rented for cash and units occupied without cash payment of rent (Census definition).

**Rural and Economic Development:** an agency of the federal government that serves as the primary lender for housing and infrastructure improvements for rural areas.

**Seasonal Farm worker:** a farm worker who works during the growing and harvest season and then returns to a permanent home in the off-season.

**Severe Cost Burden:** the extent to which housing costs, including rent, mortgage payments, condominium fees, utilities, taxes, and insurance, as applicable for rented or owned housing units, exceed 50 percent of a total gross household income.

**Sheltered Homeless:** persons whose primary nighttime residence is a supervised publicly or privately operated shelter such as an emergency, transitional, battered women, or homeless youth shelter and commercial hotels and motels used to house the homeless.

**Special Needs:** the primary populations include the elderly, frail elderly, persons with severe mental illness, the developmentally disabled, the physically disabled, persons with alcohol or other drug addiction, and persons with AIDS/HIV.

**State:** Any State of the United States and the Commonwealth of Puerto Rico.

**Substandard:** units that lack complete plumbing or kitchen facilities as defined by the U.S. Bureau of the Census; units that do not meet building code standards.

**Supportive Housing:** housing units, including units in-group quarters, that have a supportive environment and an associated planned service component.

**Supportive Services:** services such as case management, medical or psychological counseling and supervision, childcare, transportation, and job training provided for the purpose of facilitating the independence of residents.

**TANF:** The Temporary Assistance for Needy Families (TANF) program provides assistance and work opportunities to needy families by granting states the federal funds and wide flexibility to develop and implement their own welfare programs.

**Tenant-Based Rental Assistance:** a form of rental assistance in which the assisted tenant may move from dwelling unit to dwelling unit with a right to continued assistance.

**Total Vacancy Rate:** the proportion of all units regardless of their status as seasonal or migratory dwellings vacant at the time of the Census enumeration.

**Transitional Housing:** A project that is designed to provide housing and appropriate supportive services to homeless persons to facilitate movement to independent living within 24 months, or a longer period approved by HUD. For purposes of the HOME program, there is no HUD- approved time period for moving to independent living.

**Unit of General Local Government:** A city, town, township, county, parish, village, or other general purpose political subdivision of a State; an urban county; and a consortium of such political subdivisions recognized by HUD in accordance with the HOME program (24 CFR part 92) or the CDBG program (24 CFR part 570).

**Unsheltered Homeless:** homeless families and individuals whose primary nighttime residence is a public or private place not designed for a regular sleeping accommodation such as streets, sidewalks, cars, vacant and abandoned buildings.

**Urban County:** See definition in 24 CFR 570.3.

**Vacant For Rent:** year round housing units that are vacant and available for rent (Census definition).

**Vacant For Sale:** year round housing units that are vacant and available for sale only (Census definition).

**Very Low-Income Families:** families whose incomes do not exceed 50 percent of the median family income for the area, as determined by HUD.

**Year-Round Housing Units:** occupied and vacant housing units, not including units for seasonal or migratory use, intended for year-round use (Census definition).